



Frank O'Bannon
Governor

Lori F. Kaplan
Commissioner

September 2, 2003

100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
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TO: Interested Parties / Applicant

RE: DPL Energy Montpelier Electric Generating Station / T179-15228-00026

FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval – Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3-7 and IC 13-15-6-1(b) or IC 13-15-6-1(a) require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, ISTA Building, 150 W. Market Street, Suite 618, Indianapolis, IN 46204.

For an **initial Title V Operating Permit**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **thirty (30)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(b).

For a **Title V Operating Permit renewal**, a petition for administrative review must be submitted to the Office of Environmental Adjudication within **fifteen (15)** days from the receipt of this notice provided under IC 13-15-5-3, pursuant to IC 13-15-6-1(a).

The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and

- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

Pursuant to 326 IAC 2-7-18(d), any person may petition the U.S. EPA to object to the issuance of an initial Title V operating permit, permit renewal, or modification within sixty (60) days of the end of the forty-five (45) day EPA review period. Such an objection must be based only on issues that were raised with reasonable specificity during the public comment period, unless the petitioner demonstrates that it was impracticable to raise such issues, or if the grounds for such objection arose after the comment period.

To petition the U.S. EPA to object to the issuance of a Title V operating permit, contact:

U.S. Environmental Protection Agency
401 M Street
Washington, D.C. 20406

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.



Governor

Lori F. Kaplan
Commissioner

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

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PART 70 OPERATING PERMIT OFFICE OF AIR QUALITY

DPL Energy Montpelier Electric Generating Station 8495 South 450 West Poneto, Indiana 46781

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for enforcement action; permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. Noncompliance with any provision of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act. It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

Operation Permit No.: T179-15228-00026

Issued by: Original signed by
Janet G. McCabe, Assistant Commissioner
Office of Air Quality

Issuance Date: September 2, 2003

Expiration Date: September 2, 2008

TABLE OF CONTENTS

A	SOURCE SUMMARY	5
A.1	General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]	
A.2	Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]	
A.3	Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]	
A.4	Part 70 Permit Applicability [326 IAC 2-7-2]	
B	GENERAL CONDITIONS	7
B.1	Definitions [326 IAC 2-7-1]	
B.2	Permit Term [326 IAC 2-7-5(2)] [326 IAC 2-1.1-9.5]	
B.3	Enforceability [326 IAC 2-7-7]	
B.4	Termination of Right to Operate [326 IAC 2-7-10] [326 IAC 2-7-4(a)]	
B.5	Severability [326 IAC 2-7-5(5)]	
B.6	Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]	
B.7	Duty to Provide Information [326 IAC 2-7-5(6)(E)]	
B.8	Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]	
B.9	Annual Compliance Certification [326 IAC 2-7-6(5)]	
B.10	Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)][326 IAC 2-7-6(1) and (6)] [326 IAC 1-6-3]	
B.11	Emergency Provisions [326 IAC 2-7-16]	
B.12	Permit Shield [326 IAC 2-7-15] [326 IAC 2-7-20] [326 IAC 2-7-12]	
B.13	Prior Permits Superseded [326 IAC 2-1.1-9.5]	
B.14	Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]	
B.15	Permit Modification, Reopening, Revocation and Reissuance, or Termination [326 IAC 2-7-5(6)(C)] [326 IAC 2-7-8(a)] [326 IAC 2-7-9]	
B.16	Permit Renewal [326 IAC 2-7-3] [326 IAC 2-7-4]	
B.17	Source Modification [326 IAC 1-2-42] [326 IAC 2-7-10.5]	
B.18	Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12] [40 CFR 72]	
B.19	Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)] [326 IAC 2-7-12 (b)(2)]	
B.20	Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]	
B.21	Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2][IC 13-30-3-1]	
B.22	Transfer of Ownership or Operational Control [326 IAC 2-7-11]	
B.23	Annual Fee Payment [326 IAC 2-7-19][326 IAC 2-7-5(7)][326 IAC 2-1.1-7]	
C	SOURCE OPERATION CONDITIONS	19
	Emission Limitations and Standards [326 IAC 2-7-5(1)]	
C.1	Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [40 CFR 52 Subpart P][326 IAC 6-3-2]	
C.2	Opacity [326 IAC 5-1]	
C.3	Open Burning [326 IAC 4-1] [IC 13-17-9]	
C.4	Incineration [326 IAC 4-2] [326 IAC 9-1-2]	
C.5	Fugitive Dust Emissions [326 IAC 6-4]	
C.6	Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]	
C.7	Stack Height [326 IAC 1-7]	
C.8	Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]	

Testing Requirements [326 IAC 2-7-6(1)]

- C.9 Performance Testing [326 IAC 3-6]

Compliance Requirements [326 IAC 2-1.1-11]

- C.10 Compliance Requirements [326 IAC 2-1.1-11]

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

- C.11 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]
C.12 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)]
C.13 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63] [40 CFR 75]

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

- C.14 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]
C.15 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]
C.16 Compliance Response Plan - Preparation, Implementation, Records, and Reports
[326 IAC 2-7-5] [326 IAC 2-7-6]
C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]
[326 IAC 2-7-6]

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

- C.18 Emission Statement [326 IAC 2-7-5(3)(C)(iii)] [326 IAC 2-7-5(7)] [326 IAC 2-7-19(c)]
[326 IAC 2-6]
C.19 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6]
C.20 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

Stratospheric Ozone Protection

- C.21 Compliance with 40 CFR 82 and 326 IAC 22-1

D.1 FACILITY OPERATION CONDITIONS - Eight (8) combustion turbines and one (1) diesel-fired emergency fire pump 27

Emission Limitations and Standards [326 IAC 2-7-5(1)]

- D.1.1 PSD Minor Limit [326 IAC 2-2]
D.1.2 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]
D.1.3 New Source Performance Standard (NSPS) [326 IAC 12-1]
D.1.4 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1] [40 CFR 63.2]
D.1.5 Sulfur Dioxide (SO₂) [326 IAC 7-1.1]
D.1.6 Carbon Monoxide Emission Limitations [326 IAC 9-1]
D.1.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

Compliance Determination Requirements

- D.1.8 Continuous Emissions Monitoring [326 IAC 3-5]
D.1.9 Nitrogen Oxides Monitoring Requirement [326 IAC 10-4-4(b)(1)] [326 IAC 10-4-12(b) and (c)]
D.1.10 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]
D.1.11 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

- D.1.12 Record Keeping Requirements
D.1.13 Nitrogen Oxides Budget Trading Program [326 IAC 10-4-9(e)(2)]
D.1.14 Reporting Requirements

D.1.15 Reporting Requirements

E ACID RAIN PROGRAM CONDITIONS 34

- E.1 Acid Rain Permit [326 IAC 2-7-5(1)(C)] [326 IAC 21][40 CFR 72 through 40 CFR 78]
- E.2 Title IV Emissions Allowances [326 IAC 2-7-5(4)][326 IAC 21]

Certification 35

Emergency Occurrence Report 36

Semi-Annual Natural Gas Fired Facility Certification 38

Quarterly Report (Three (3) Forms) 39

Quarterly Deviation and Compliance Monitoring Report 42

Appendix A: Acid Rain Permit

SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)] [326 IAC 2-7-1(22)]

The Permittee owns and operates a stationary electric utility generating station.

Responsible Official:	DPL Energy Operations Manager
Source Address:	8495 South 450 West, Poneto, Indiana 46781
Mailing Address:	1065 Woodman Drive, Dayton, Ohio 45432
Source Telephone:	(937) 259-7880
SIC Code:	4911
County Location:	Wells
Source Location Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD Rules; Minor Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO_x emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO_x and CO emissions.

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

(a) Paved and unpaved roads and parking lots.

(b) Other emergency equipment as stationary fire pumps, specifically including:

One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr, exhausting to the atmosphere.

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

- (a) It is a major source, as defined in 326 IAC 2-7-1(22);
- (b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability); and
- (c) It is an affected source under Title IV (Acid Deposition Control) of the Clean Air Act, as defined in 326 IAC 2-7-1(3).

B.1 Definitions [326 IAC 2-7-1]

B.2 Permit Term [326 IAC 2-7-5(2)] [326 IAC 2-1.1-9.5]

B.3 Enforceability [326 IAC 2-7-7]

B.4 Termination of Right to Operate [326 IAC 2-7-10] [326 IAC 2-7-4(a)]

B.5 Severability [326 IAC 2-7-5(5)]

B.6 Property Rights or Exclusive Privilege [326 IAC 2-7-5(6)(D)]

B.7 Duty to Provide Information [326 IAC 2-7-5(6)(E)]

- B.8 Certification [326 IAC 2-7-4(f)] [326 IAC 2-7-6(1)] [326 IAC 2-7-5(3)(C)]

- (a) Where specifically designated by this permit or required by an applicable requirement, any application form, report, or compliance certification submitted shall contain certification by a responsible official of truth, accuracy, and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.
- (b) One (1) certification shall be included, using the attached Certification Form, with each

submittal requiring certification. One (1) certification can cover multiple forms in one (1) submittal.

- (c) A responsible official is defined at 326 IAC 2-7-1(34).

B.9 Annual Compliance Certification [326 IAC 2-7-6(5)]

- (a) The Permittee shall annually submit a compliance certification report which addresses the status of the source's compliance with the terms and conditions contained in this permit, including emission limitations, standards, or work practices. The initial certification shall cover the time period from the date of final permit issuance through December 31 of the same year. All subsequent certifications shall cover the time period from January 1 to December 31 of the previous year, and shall be submitted in letter form no later than July 1 of each year to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Air Enforcement Branch - Indiana (AE-17J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

- (b) The annual compliance certification report required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (c) The annual compliance certification report shall include the following:
- (1) The appropriate identification of each term or condition of this permit that is the basis of the certification;
 - (2) The compliance status;
 - (3) Whether compliance was continuous or intermittent;
 - (4) The methods used for determining the compliance status of the source, currently and over the reporting period consistent with 326 IAC 2-7-5(3); and
 - (5) Such other facts, as specified in Sections D of this permit, as IDEM, OAQ, may require to determine the compliance status of the source.

The submittal by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

B.10 Preventive Maintenance Plan [326 IAC 2-7-5(1),(3) and (13)] [326 IAC 2-7-6(1) and (6)]
[326 IAC 1-6-3]

- (a) If required by specific condition(s) in Section D of this permit, the Permittee shall maintain and implement Preventive Maintenance Plans (PMPs) including the following information on each facility:
 - (1) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices;
 - (2) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions; and
 - (3) Identification and quantification of the replacement parts that will be maintained in inventory for quick replacement.
- (b) The Permittee shall implement the PMPs, including any required record keeping, as necessary to ensure that failure to implement a PMP does not cause or contribute to an exceedance of any limitation on emissions or potential to emit.
- (c) A copy of the PMPs shall be submitted to IDEM, OAQ, upon request and within a reasonable time, and shall be subject to review and approval by IDEM, OAQ. IDEM, OAQ, may require the Permittee to revise its PMPs whenever lack of proper maintenance causes or is the primary contributor to an exceedance of any limitation on emissions or potential to emit. The PMP does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) To the extent the Permittee is required by 40 CFR Part 63 to have an Operation, Maintenance, and Monitoring (OMM) Plan for a unit, such Plan is deemed to satisfy the PMP requirements of 326 IAC 1-6-3 for that unit.

B.11 Emergency Provisions [326 IAC 2-7-16]

- (a) An emergency, as defined in 326 IAC 2-7-1(12), is not an affirmative defense for an action brought for noncompliance with a federal or state health-based emission limitation.
- (b) An emergency, as defined in 326 IAC 2-7-1(12), constitutes an affirmative defense to an action brought for noncompliance with a technology-based emission limitation if the affirmative defense of an emergency is demonstrated through properly signed, contemporaneous operating logs or other relevant evidence that describe the following:
 - (1) An emergency occurred and the Permittee can, to the extent possible, identify the causes of the emergency;
 - (2) The permitted facility was at the time being properly operated;
 - (3) During the period of an emergency, the Permittee took all reasonable steps to minimize levels of emissions that exceeded the emission standards or other requirements in this permit;

- (4) For each emergency lasting one (1) hour or more, the Permittee notified IDEM, OAQ, within four (4) daytime business hours after the beginning of the emergency, or after the emergency was discovered or reasonably should have been discovered;

Telephone Number: 1-800-451-6027 (ask for Office of Air Quality, Compliance Section), or
Telephone Number: 317-233-5674 (ask for Compliance Section)
Facsimile Number: 317-233-5967.

- (5) For each emergency lasting one (1) hour or more, the Permittee submitted the attached Emergency Occurrence Report Form or its equivalent, either by mail or facsimile to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

within two (2) working days of the time when emission limitations were exceeded due to the emergency.

The notice fulfills the requirement of 326 IAC 2-7-5(3)(C)(ii) and must contain the following:

- (A) A description of the emergency;
- (B) Any steps taken to mitigate the emissions; and
- (C) Corrective actions taken.

The notification which shall be submitted by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (6) The Permittee immediately took all reasonable steps to correct the emergency.
- (c) In any enforcement proceeding, the Permittee seeking to establish the occurrence of an emergency has the burden of proof.
 - (d) This emergency provision supersedes 326 IAC 1-6 (Malfunctions). This permit condition is in addition to any emergency or upset provision contained in any applicable requirement.
 - (e) IDEM, OAQ, may require that the Preventive Maintenance Plans required under 326 IAC 2-7-4-(c)(9) be revised in response to an emergency.
 - (f) Failure to notify IDEM, OAQ, by telephone or facsimile of an emergency lasting more than one (1) hour in accordance with (b)(4) and (5) of this condition shall constitute a violation of 326 IAC 2-7 and any other applicable rules.

- (g) If the emergency situation causes a deviation from a technology-based limit, the Permittee may continue to operate the affected emitting facilities during the emergency provided the Permittee immediately takes all reasonable steps to correct the emergency and minimize emissions.
- (h) The Permittee shall include all emergencies in the Quarterly Deviation and Compliance Monitoring Report.

B.12 Permit Shield [326 IAC 2-7-15] [326 IAC 2-7-20] [326 IAC 2-7-12]

- (a) Pursuant to 326 IAC 2-7-15, the Permittee has been granted a permit shield. The permit shield provides that compliance with the conditions of this permit shall be deemed compliance with any applicable requirements as of the date of permit issuance, provided that either the applicable requirements are included and specifically identified in this permit or the permit contains an explicit determination or concise summary of a determination that other specifically identified requirements are not applicable. The Indiana statutes from IC 13 and rules from 326 IAC, referenced in conditions in this permit, are those applicable at the time the permit was issued. The issuance or possession of this permit shall not alone constitute a defense against an alleged violation of any law, regulation or standard, except for the requirement to obtain a Part 70 permit under 326 IAC 2-7 or for applicable requirements for which a permit shield has been granted.

This permit shield does not extend to applicable requirements which are promulgated after the date of issuance of this permit unless this permit has been modified to reflect such new requirements.

- (b) If, after issuance of this permit, it is determined that the permit is in nonconformance with an applicable requirement that applied to the source on the date of permit issuance, IDEM, OAQ, shall immediately take steps to reopen and revise this permit and issue a compliance order to the Permittee to ensure expeditious compliance with the applicable requirement until the permit is reissued. The permit shield shall continue in effect so long as the Permittee is in compliance with the compliance order.
- (c) No permit shield shall apply to any permit term or condition that is determined after issuance of this permit to have been based on erroneous information supplied in the permit application. Erroneous information means information that the Permittee knew to be false, or in the exercise of reasonable care should have been known to be false, at the time the information was submitted.
- (d) Nothing in 326 IAC 2-7-15 or in this permit shall alter or affect the following:
 - (1) The provisions of Section 303 of the Clean Air Act (emergency orders), including the authority of the U.S. EPA under Section 303 of the Clean Air Act;
 - (2) The liability of the Permittee for any violation of applicable requirements prior to or at the time of this permit's issuance;
 - (3) The applicable requirements of the acid rain program, consistent with Section 408(a) of the Clean Air Act; and

- (4) The ability of U.S. EPA to obtain information from the Permittee under Section 114 of the Clean Air Act.
- (e) This permit shield is not applicable to any change made under 326 IAC 2-7-20(b)(2) (Sections 502(b)(10) of the Clean Air Act changes) and 326 IAC 2-7-20(c)(2) (trading based on State Implementation Plan (SIP) provisions).
- (f) This permit shield is not applicable to modifications eligible for group processing until after IDEM, OAQ, has issued the modifications. [326 IAC 2-7-12(c)(7)]
- (g) This permit shield is not applicable to minor Part 70 permit modifications until after IDEM, OAQ, has issued the modification. [326 IAC 2-7-12(b)(8)]

B.13 Prior Permits Superseded [326 IAC 2-1.1-9.5]

- (a) All terms and conditions of previous permits issued pursuant to permitting programs approved into the state implementation plan have been either
 - (1) incorporated as originally stated,
 - (2) revised, or
 - (3) deletedby this permit.
- (b) All previous registrations and permits are superseded by this permit, except for permits issued pursuant to Title IV of the Clean Air Act and 326 IAC 21 (Acid Deposition Control).

B.14 Deviations from Permit Requirements and Conditions [326 IAC 2-7-5(3)(C)(ii)]

- (a) Deviations from any permit requirements (for emergencies see Section B - Emergency Provisions), the probable cause of such deviations, and any response steps or preventive measures taken shall be reported to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

using the attached Quarterly Deviation and Compliance Monitoring Report, or its equivalent. A deviation required to be reported pursuant to an applicable requirement that exists independent of this permit, shall be reported according to the schedule stated in the applicable requirement and does not need to be included in this report.

The Quarterly Deviation and Compliance Monitoring Report does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) A deviation is an exceedance of a permit limitation or a failure to comply with a requirement of the permit.

B.15 Permit Modification, Reopening, Revocation and Reissuance, or Termination
[326 IAC 2-7-5(6)(C)] [326 IAC 2-7-8(a)] [326 IAC 2-7-9]

- (a) This permit may be modified, reopened, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a Part 70 permit modification, revocation and reissuance, or termination, or of a notification of planned changes or anticipated noncompliance does not stay any condition of this permit. [326 IAC 2-7-5(6)(C)] The notification by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) This permit shall be reopened and revised under any of the circumstances listed in IC 13-15-7-2 or if IDEM, OAQ, determines any of the following:
 - (1) That this permit contains a material mistake.
 - (2) That inaccurate statements were made in establishing the emissions standards or other terms or conditions.
 - (3) That this permit must be revised or revoked to assure compliance with an applicable requirement. [326 IAC 2-7-9(a)(3)]
- (c) Proceedings by IDEM, OAQ, to reopen and revise this permit shall follow the same procedures as apply to initial permit issuance and shall affect only those parts of this permit for which cause to reopen exists. Such reopening and revision shall be made as expeditiously as practicable. [326 IAC 2-7-9(b)]
- (d) The reopening and revision of this permit, under 326 IAC 2-7-9(a), shall not be initiated before notice of such intent is provided to the Permittee by IDEM, OAQ, at least thirty (30) days in advance of the date this permit is to be reopened, except that IDEM, OAQ, may provide a shorter time period in the case of an emergency. [326 IAC 2-7-9(c)]

B.16 Permit Renewal [326 IAC 2-7-3] [326 IAC 2-7-4]

- (a) The application for renewal shall be submitted using the application form or forms prescribed by IDEM, OAQ, and shall include the information specified in 326 IAC 2-7-4. Such information shall be included in the application for each emission unit at this source, except those emission units included on the trivial or insignificant activities list contained in 326 IAC 2-7-1(21) and 326 IAC 2-7-1(40). The renewal application does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Request for renewal shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

- (b) Timely Submittal of Permit Renewal [326 IAC 2-7-4(a)(1)(D)]
 - (1) A timely renewal application is one that is:
 - (A) Submitted at least nine (9) months prior to the date of the expiration of this

permit; and

- (B) If the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (2) If IDEM, OAQ, upon receiving a timely and complete permit application, fails to issue or deny the permit renewal prior to the expiration date of this permit, this existing permit shall not expire and all terms and conditions shall continue in effect, including any permit shield provided in 326 IAC 2-7-15, until the renewal permit has been issued or denied.
- (c) Right to Operate After Application for Renewal [326 IAC 2-7-3] [326 IAC 2-7-4]
If the Permittee submits a timely and complete application for renewal of this permit, the source's failure to have a permit is not a violation of 326 IAC 2-7 until IDEM, OAQ, takes final action on the renewal application, except that this protection shall cease to apply if, subsequent to the completeness determination, the Permittee fails to submit by a reasonable deadline specified in writing by IDEM, OAQ, any additional information identified as being needed to process the application. [326 IAC 2-7-4(a)(2)(D) and (E)]
- (d) United States Environmental Protection Agency Authority [326 IAC 2-7-8(e)]
If IDEM, OAQ, fails to act in a timely way on a Part 70 permit renewal, the U.S. EPA may invoke its authority under Section 505(e) of the Clean Air Act to terminate or revoke and reissue a Part 70 permit.

B.17 Source Modification [326 IAC 1-2-42] [326 IAC 2-7-10.5]

- (a) The Permittee shall obtain approval as required by 326 IAC 2-7-10.5 from the OAQ prior to making any modification to the source. Pursuant to 326 IAC 1-2-42, "Modification" means one (1) or more of the following activities at an existing source:
 - (1) A physical change or change in the method of operation of any existing emissions unit that increases the potential to emit any regulated pollutant that could be emitted from the emissions unit, or that results in emissions of any regulated pollutant not previously emitted.
 - (2) Construction of one (1) or more new emissions units that have the potential to emit regulated air pollutants.
 - (3) Reconstruction of one (1) or more existing emission units that increases the potential to emit of any regulated air pollutant.
- (b) Any application requesting a source modification shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) The Permittee shall also comply with the applicable provisions of 326 IAC 2-7-11 (Administrative Permit Amendments) or 326 IAC 2-7-12 (Permit Modification) prior to operating the approved modification.

B.18 Permit Amendment or Modification [326 IAC 2-7-11] [326 IAC 2-7-12] [40 CFR 72]

- (a) Permit amendments and modifications are governed by the requirements of 326 IAC 2-7-11 or 326 IAC 2-7-12 whenever the Permittee seeks to amend or modify this permit.
- (b) Pursuant to 326 IAC 2-7-11(b) and 326 IAC 2-7-12(a), administrative Part 70 permit amendments and permit modifications for purposes of the acid rain portion of a Part 70 permit shall be governed by regulations promulgated under Title IV of the Clean Air Act. [40 CFR 72]
- (c) Any application requesting an amendment or modification of this permit shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

Any such application shall be certified by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (d) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]
- (e) No permit amendment or modification is required for the addition, operation or removal of a nonroad engine, as defined in 40 CFR 89.2.

B.19 Permit Revision Under Economic Incentives and Other Programs [326 IAC 2-7-5(8)] [326 IAC 2-7-12 (b)(2)]

- (a) No Part 70 permit revision shall be required under any approved economic incentives, marketable Part 70 permits, emissions trading, and other similar programs or processes for changes that are provided for in a Part 70 permit.
- (b) Notwithstanding 326 IAC 2-7-12(b)(1) and 326 IAC 2-7-12(c)(1), minor Part 70 permit modification procedures may be used for Part 70 modifications involving the use of economic incentives, marketable Part 70 permits, emissions trading, and other similar approaches to the extent that such minor Part 70 permit modification procedures are explicitly provided for in the applicable State Implementation Plan (SIP) or in applicable requirements promulgated or approved by the U.S. EPA.

B.20 Operational Flexibility [326 IAC 2-7-20] [326 IAC 2-7-10.5]

- (a) The Permittee may make any change or changes at the source that are described in 326 IAC 2-7-20(b), (c), or (e), without a prior permit revision, if each of the following conditions is met:

- (1) The changes are not modifications under any provision of Title I of the Clean Air Act;
- (2) Any preconstruction approval required by 326 IAC 2-7-10.5 has been obtained;
- (3) The changes do not result in emissions which exceed the emissions allowable under this permit (whether expressed herein as a rate of emissions or in terms of total emissions);
- (4) The Permittee notifies the:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Air and Radiation Division, Regulation Development Branch - Indiana (AR-18J)
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

in advance of the change by written notification at least ten (10) days in advance of the proposed change. The Permittee shall attach every such notice to the Permittee's copy of this permit; and

- (5) The Permittee maintains records on-site which document, on a rolling five (5) year basis, all such changes and emissions trading that are subject to 326 IAC 2-7-20(b), (c), or (e) and makes such records available, upon reasonable request, for public review.

Such records shall consist of all information required to be submitted to IDEM, OAQ, in the notices specified in 326 IAC 2-7-20(b)(1), (c)(1), and (e)(2).

- (b) The Permittee may make Section 502(b)(10) of the Clean Air Act changes (this term is defined at 326 IAC 2-7-1(36)) without a permit revision, subject to the constraint of 326 IAC 2-7-20(a). For each such Section 502(b)(10) of the Clean Air Act change, the required written notification shall include the following:

- (1) A brief description of the change within the source;
- (2) The date on which the change will occur;
- (3) Any change in emissions; and
- (4) Any permit term or condition that is no longer applicable as a result of the change.

The notification which shall be submitted is not considered an application form, report or compliance certification. Therefore, the notification by the Permittee does not require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) Emission Trades [326 IAC 2-7-20(c)]
The Permittee may trade increases and decreases in emissions in the source, where the applicable SIP provides for such emission trades without requiring a permit revision, subject to the constraints of Section (a) of this condition and those in 326 IAC 2-7-20(c).
- (d) Alternative Operating Scenarios [326 IAC 2-7-20(d)]
The Permittee may make changes at the source within the range of alternative operating scenarios that are described in the terms and conditions of this permit in accordance with 326 IAC 2-7-5(9). No prior notification of IDEM, OAQ, or U.S. EPA is required.
- (e) Backup fuel switches specifically addressed in, and limited under, Section D of this permit shall not be considered alternative operating scenarios. Therefore, the notification requirements of part (a) of this condition do not apply.

B.21 Inspection and Entry [326 IAC 2-7-6] [IC 13-14-2-2][IC 13-30-3-1]

Upon presentation of proper identification cards, credentials, and other documents as may be required by law, and subject to the Permittee's right under all applicable laws and regulations to assert that the information collected by the agency is confidential and entitled to be treated as such, the Permittee shall allow IDEM, OAQ, U.S. EPA, or an authorized representative to perform the following:

- (a) Enter upon the Permittee's premises where a Part 70 source is located, or emissions related activity is conducted, or where records must be kept under the conditions of this permit;
- (b) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, have access to and copy any records that must be kept under the conditions of this permit;
- (c) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, inspect any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit;
- (d) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, sample or monitor substances or parameters for the purpose of assuring compliance with this permit or applicable requirements; and
- (e) As authorized by the Clean Air Act, IC 13-14-2-2, IC 13-17-3-2, and IC 13-30-3-1, utilize any photographic, recording, testing, monitoring, or other equipment for the purpose of assuring compliance with this permit or applicable requirements.

B.22 Transfer of Ownership or Operational Control [326 IAC 2-7-11]

- (a) The Permittee must comply with the requirements of 326 IAC 2-7-11 whenever the Permittee seeks to change the ownership or operational control of the source and no other change in the permit is necessary.
- (b) Any application requesting a change in the ownership or operational control of the source shall contain a written agreement containing a specific date for transfer of permit responsibility, coverage and liability between the current and new Permittee. The application shall be submitted to:

Indiana Department of Environmental Management
Permits Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

The application which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) The Permittee may implement administrative amendment changes addressed in the request for an administrative amendment immediately upon submittal of the request. [326 IAC 2-7-11(c)(3)]

B.23 Annual Fee Payment [326 IAC 2-7-19] [326 IAC 2-7-5(7)] [326 IAC 2-1.1-7]

- (a) The Permittee shall pay annual fees to IDEM, OAQ, within thirty (30) calendar days of receipt of a billing. Pursuant to 326 IAC 2-7-19(b), if the Permittee does not receive a bill from IDEM, OAQ, the applicable fee is due April 1 of each year.
- (b) Except as provided in 326 IAC 2-7-19(e), failure to pay may result in administrative enforcement action or revocation of this permit.
- (c) The Permittee may call the following telephone numbers: 1-800-451-6027 or 317-233-4230 (ask for OAQ, I/M & Billing Section), to determine the appropriate permit fee.

SECTION C SOURCE OPERATION CONDITIONS

Entire Source

Emission Limitations and Standards [326 IAC 2-7-5(1)]

C.1 Particulate Emission Limitations For Processes with Process Weight Rates Less Than One Hundred (100) Pounds per Hour [40 CFR 52 Subpart P][326 IAC 6-3-2]

- (a) Pursuant to 40 CFR 52 Subpart P, particulate matter emissions from any process not already regulated by 326 IAC 6-1 or any New Source Performance Standard, and which has a maximum process weight rate less than 100 pounds per hour shall not exceed 0.551 pounds per hour.
- (b) Pursuant to 326 IAC 6-3-2(e)(2), particulate emissions from any process not exempt under 326 IAC 6-3-1(b) or (c) which has a maximum process weight rate less than 100 pounds per hour and the methods in 326 IAC 6-3-2(b) through (d) do not apply shall not exceed 0.551 pounds per hour. This condition is not federally enforceable.

C.2 Opacity [326 IAC 5-1]

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) in any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

C.3 Open Burning [326 IAC 4-1] [IC 13-17-9]

The Permittee shall not open burn any material except as provided in 326 IAC 4-1-3, 326 IAC 4-1-4 or 326 IAC 4-1-6. The previous sentence notwithstanding, the Permittee may open burn in accordance with an open burning approval issued by the Commissioner under 326 IAC 4-1-4.1. 326 IAC 4-1-3 (a)(2)(A) and (B) are not federally enforceable.

C.4 Incineration [326 IAC 4-2][326 IAC 9-1-2]

The Permittee shall not operate an incinerator or incinerate any waste or refuse except as provided in 326 IAC 4-2 and 326 IAC 9-1-2. 326 IAC 9-1-2 is not federally enforceable.

C.5 Fugitive Dust Emissions [326 IAC 6-4]

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

C.6 Fugitive Particulate Matter Emission Limitations [326 IAC 6-5]

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emissions Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on February 16, 2000.

This plan consists of wet suppression of dust from roads on an as needed basis.

C.7 Stack Height [326 IAC 1-7]

The Permittee shall comply with the applicable provisions of 326 IAC 1-7 (Stack Height Provisions), for all exhaust stacks through which a potential (before controls) of twenty-five (25) tons per year or more of particulate matter or sulfur dioxide is emitted.

C.8 Asbestos Abatement Projects [326 IAC 14-10] [326 IAC 18] [40 CFR 61, Subpart M]

The Permittee shall comply with the applicable requirements of 326 IAC 14-10, 326 IAC 18, and 40 CFR 61.140.

Testing Requirements [326 IAC 2-7-6(1)]

C.9 Performance Testing [326 IAC 3-6]

- (a) All testing shall be performed according to the provisions of 326 IAC 3-6 (Source Sampling Procedures), except as provided elsewhere in this permit, utilizing any applicable procedures and analysis methods specified in 40 CFR 51, 40 CFR 60, 40 CFR 61, 40 CFR 63, 40 CFR 75, or other procedures approved by IDEM, OAQ.

A test protocol, except as provided elsewhere in this permit, shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

no later than thirty-five (35) days prior to the intended test date. The protocol submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (b) The Permittee shall notify IDEM, OAQ of the actual test date at least fourteen (14) days prior to the actual test date. The notification submitted by the Permittee does not require certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (c) Pursuant to 326 IAC 3-6-4(b), all test reports must be received by IDEM, OAQ, not later than forty-five (45) days after the completion of the testing. An extension may be granted by IDEM, OAQ, if the source submits to IDEM, OAQ, a reasonable written explanation not later than five (5) days prior to the end of the initial forty-five (45) day period.

Compliance Requirements [326 IAC 2-1.1-11]

C.10 Compliance Requirements [326 IAC 2-1.1-11]

The commissioner may require stack testing, monitoring, or reporting at any time to assure compliance with all applicable requirements by issuing an order under 326 IAC 2-1.1-11. Any monitoring or testing shall be performed in accordance with 326 IAC 3 or other methods approved by the commissioner or the U. S. EPA.

Compliance Monitoring Requirements [326 IAC 2-7-5(1)] [326 IAC 2-7-6(1)]

C.11 Compliance Monitoring [326 IAC 2-7-5(3)] [326 IAC 2-7-6(1)]

Unless otherwise specified in this permit, all monitoring and record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance. If required by Section D, the Permittee shall be responsible for installing any necessary equipment and initiating any required monitoring related to that equipment. If due to circumstances beyond its control, that equipment cannot be installed and operated within ninety (90) days, the Permittee may extend the compliance schedule related to the equipment for an additional ninety (90) days provided the Permittee notifies:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

in writing, prior to the end of the initial ninety (90) day compliance schedule, with full justification of the reasons for the inability to meet this date.

The notification which shall be submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Unless otherwise specified in the approval for the new emission unit(s), compliance monitoring for new emission units or emission units added through a source modification shall be implemented when operation begins.

C.12 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)]

- (a) The Permittee shall calibrate, maintain, and operate all necessary continuous emission monitoring systems (CEMS) and related equipment.
- (b) All continuous emission monitoring systems shall meet all applicable performance specifications of 40 CFR 60, 40 CFR 75, or any other performance specification, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.
- (c) In the event that a breakdown of a continuous emission monitoring system occurs, a record shall be made of the times and reasons of the breakdown and efforts made to correct the problem.
- (d) Whenever a continuous emission monitor other than an opacity monitor is malfunctioning or is down for maintenance or repairs, the following shall be used as an alternative to continuous data collection:
 - (1) If the CEM is required for monitoring NO_x or SO₂ emissions pursuant to 40 CFR 75 (Title IV Acid Rain program) or 326 IAC 10-4 (NO_x Budget Trading Program), the Permittee shall comply with the relevant requirements of 40 CFR 75 Subpart D - Missing Data Substitution Procedures.
 - (2) If the CEM is not used to monitor NO_x or SO₂ emissions pursuant to 40 CFR 75 or 326 IAC 10-4, then supplemental or intermittent monitoring of the parameter shall be implemented as specified in Section D of this permit until such time as the

emission monitor system is back in operation.

- (e) Nothing in this permit shall excuse the Permittee from complying with the requirements to operate a continuous emission monitoring system pursuant to 326 IAC 3-5, 326 IAC 10-4, 40 CFR 60, or 40 CFR 75, and New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000.

C.13 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63][40 CFR 75]

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60 Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, 40 CFR 75, or other approved methods as specified in this permit.

Corrective Actions and Response Steps [326 IAC 2-7-5] [326 IAC 2-7-6]

C.14 Emergency Reduction Plans [326 IAC 1-5-2] [326 IAC 1-5-3]

Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on January 22, 2002.
- (b) Upon direct notification by IDEM, OAQ, that a specific air pollution episode level is in effect, the Permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate episode level. [326 IAC 1-5-3]

C.15 Risk Management Plan [326 IAC 2-7-5(12)] [40 CFR 68]

If a regulated substance, as defined in 40 CFR 68, is present at a source in more than a threshold quantity, the source must comply with the applicable requirements at 40 CFR 68.

C.16 Compliance Response Plan - Preparation, Implementation, Records, and Reports [326 IAC 2-7-5] [326 IAC 2-7-6]

- (a) The Permittee is required to prepare a Compliance Response Plan (CRP) for each compliance monitoring condition of this permit. If a Permittee is required to have an Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan under 40 CFR 63, such plans shall be deemed to satisfy the requirements for a CRP for those compliance monitoring conditions. A CRP shall be submitted to IDEM, OAQ, upon request. The CRP shall be prepared within ninety (90) days after issuance of this permit by the Permittee, supplemented from time to time by the Permittee, maintained on site, and comprised of:
 - (1) Reasonable response steps that may be implemented in the event that a response step is needed pursuant to the requirements of Section D of this permit; and an expected timeframe for taking reasonable response steps.
 - (2) If, at any time, the Permittee takes reasonable response steps that are not set forth in the Permittee's current Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan and the Permittee documents such response in accordance with subsection (e) below, the Permittee shall amend its Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan to include such response steps taken.

The OMM Plan or Parametric Monitoring and SSM Plan shall be submitted within the time frames specified by the applicable 40 CFR 63 requirement.

- (b) For each compliance monitoring condition of this permit, reasonable response steps shall be taken when indicated by the provisions of that compliance monitoring condition as follows:
 - (1) Reasonable response steps shall be taken as set forth in the Permittee's current Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan; or
 - (2) If none of the reasonable response steps listed in the Compliance Response Plan or Operation, Maintenance and Monitoring (OMM) Plan or Parametric Monitoring Plan and Start-up, Shutdown, and Malfunction (SSM) Plan is applicable or responsive to the excursion, the Permittee shall devise and implement additional response steps as expeditiously as practical. Taking such additional response steps shall not be considered a deviation from this permit so long as the Permittee documents such response steps in accordance with this condition.
 - (3) If the Permittee determines that additional response steps would necessitate that the emissions unit or control device be shut down, the IDEM, OAQ shall be promptly notified of the expected date of the shut down, the status of the applicable compliance monitoring parameter with respect to normal, and the results of the actions taken up to the time of notification.
 - (4) Failure to take reasonable response steps shall be considered a deviation from the permit.
- (c) The Permittee is not required to take any further response steps for any of the following reasons:
 - (1) A false reading occurs due to the malfunction of the monitoring equipment and prompt action was taken to correct the monitoring equipment.
 - (2) The Permittee has determined that the compliance monitoring parameters established in the permit conditions are technically inappropriate, has previously submitted a request for a minor permit modification to the permit, and such request has not been denied.
 - (3) An automatic measurement was taken when the process was not operating.
 - (4) The process has already returned or is returning to operating within "normal" parameters and no response steps are required.
- (d) When implementing reasonable steps in response to a compliance monitoring condition, if the Permittee determines that an exceedance of an emission limitation has occurred, the Permittee shall report such deviations pursuant to Section B-Deviations from Permit Requirements and Conditions.
- (e) The Permittee shall record all instances when, in accordance with Section D, response steps are taken. In the event of an emergency, the provisions of 326 IAC 2-7-16 (Emergency Provisions) requiring prompt corrective action to mitigate emissions shall prevail.

- (f) Except as otherwise provided by a rule or provided specifically in Section D, all monitoring as required in Section D shall be performed when the emission unit is operating, except for time necessary to perform quality assurance and maintenance activities.

**C.17 Actions Related to Noncompliance Demonstrated by a Stack Test [326 IAC 2-7-5]
[326 IAC 2-7-6]**

- (a) When the results of a stack test performed in conformance with Section C - Performance Testing, of this permit exceed the level specified in any condition of this permit, the Permittee shall take appropriate response actions. The Permittee shall submit a description of these response actions to IDEM, OAQ, within thirty (30) days of receipt of the test results. The Permittee shall take appropriate action to minimize excess emissions from the affected facility while the response actions are being implemented.
- (b) A retest to demonstrate compliance shall be performed within one hundred twenty (120) days of receipt of the original test results. Should the Permittee demonstrate to IDEM, OAQ that retesting in one-hundred and twenty (120) days is not practicable, IDEM, OAQ may extend the retesting deadline.
- (c) IDEM, OAQ reserves the authority to take any actions allowed under law in response to noncompliant stack tests.

The response action documents submitted pursuant to this condition do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

C.18 Emission Statement [326 IAC 2-7-5(3)(C)(iii)][326 IAC 2-7-5(7)][326 IAC 2-7-19(c)][326 IAC 2-6]

- (a) The Permittee shall submit an annual emission statement certified pursuant to the requirements of 326 IAC 2-6, that must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual emission statement shall meet the following requirements:
 - (1) Indicate estimated actual emissions of criteria pollutants from the source, in compliance with 326 IAC 2-6 (Emission Reporting);
 - (2) Indicate estimated actual emissions of regulated pollutants as defined by 326 IAC 2-7-1(32) ("Regulated pollutant which is used only for purposes of Section 19 of this rule") from the source, for purposes of Part 70 fee assessment.
- (b) The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31. The annual emission statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The emission statement does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

- (c) The annual emission statement required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.

C.19 General Record Keeping Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-6]

- (a) Records of all required monitoring data, reports and support information required by this Permit shall be retained for a period of at least five (5) years from the date of monitoring sample, measurement, report, or application. These records shall be physically present or electronically accessible at the source location for a minimum of three (3) years. The records may be stored elsewhere for the remaining two (2) years as long as they are available upon request. If the Commissioner makes a request for records to the Permittee, the Permittee shall furnish the records to the Commissioner within a reasonable time.
- (b) Unless otherwise specified in this permit, all record keeping requirements not already legally required shall be implemented within ninety (90) days of permit issuance.

C.20 General Reporting Requirements [326 IAC 2-7-5(3)(C)] [326 IAC 2-1.1-11]

- (a) The source shall submit the attached Quarterly Deviation and Compliance Monitoring Report or its equivalent. Any deviation from permit requirements, the date(s) of each deviation, the cause of the deviation, and the response steps taken must be reported. This report shall be submitted within thirty (30) days of the end of the reporting period. The Quarterly Deviation and Compliance Monitoring Report shall include the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (b) The report required in (a) of this condition and reports required by conditions in Section D of this permit shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015
- (c) Unless otherwise specified in this permit, any notice, report, or other submission required by this permit shall be considered timely if the date postmarked on the envelope or certified mail receipt, or affixed by the shipper on the private shipping receipt, is on or before the date it is due. If the document is submitted by any other means, it shall be considered timely if received by IDEM, OAQ, on or before the date it is due.
- (d) Unless otherwise specified in this permit, all reports required in Section D of this permit shall be submitted within thirty (30) days of the end of the reporting period. All reports do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).
- (e) The first report shall cover the period commencing on the date of issuance of this permit and ending on the last day of the reporting period. Reporting periods are based on calendar years.

Stratospheric Ozone Protection

C.21 Compliance with 40 CFR 82 and 326 IAC 22-1

Pursuant to 40 CFR 82 (Protection of Stratospheric Ozone), Subpart F, except as provided for motor vehicle air conditioners in Subpart B, the Permittee shall comply with the standards for recycling and emissions reduction:

- (a) Persons opening appliances for maintenance, service, repair, or disposal must comply with the required practices pursuant to 40 CFR 82.156.
- (b) Equipment used during the maintenance, service, repair, or disposal of appliances must comply with the standards for recycling and recovery equipment pursuant to 40 CFR 82.158.
- (c) Persons performing maintenance, service, repair, or disposal of appliances must be certified by an approved technician certification program pursuant to 40 CFR 82.161.
- (d) Pursuant to 40 CFR 82, Subpart E (The Labeling of Products Using Ozone-Depleting Substances), all containers in which a Class I or Class II substance is stored or transported and all products containing a Class I substance shall be labeled as required under 40 CFR Part 82.

SECTION D.1

FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO_x emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO_x and CO emissions.

This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

- (b) Other emergency equipment as stationary fire pumps, specifically including:

One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr, exhausting to the atmosphere.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 PSD Minor Limit [326 IAC 2-2]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, the Permittee shall comply as follows:

- (a) The potential to emit of NO_x and CO from the eight (8) combustion turbines and one (1) diesel-fired emergency fire pump shall be limited to less than 250 tons per twelve (12) consecutive month period per pollutant, with compliance demonstrated at the end of each month. By limiting NO_x and CO emissions to less than 250 tons per year, the SO₂ and PM emissions are also limited to less than 250 tons per year. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2, will not apply.

- (b) The NO_x and CO emissions shall be limited by the following equation:

- (1) NO_x emissions (tons per twelve (12) consecutive month period) =

Emissions from combustion turbines (tons/12-months, based on CEMs data) +
fuel oil usage from emergency fire pump (kgals/12-months) * appropriate AP-42
emission factor.

- (2) CO emissions (tons per twelve (12) consecutive month period) =

Emissions from combustion turbines (tons/12-months, based on CEMs data) +
fuel oil usage from emergency fire pump (kgals/12-months) * appropriate AP-42

emission factor.

- (c) The source shall operate a continuous emissions monitoring system on each combustion turbine in accordance with 326 IAC 3-5, to demonstrate compliance with the NO_x and CO limits.
- (d) The sulfur content of the fuel oil shall not exceed 0.05 percent by weight.

D.1.2 General Provisions Relating to NSPS [326 IAC 12-1] [40 CFR Part 60, Subpart A]

The provisions of 40 CFR Part 60, Subpart A - General Provisions, which are incorporated by reference in 326 IAC 12-1, apply to the eight (8) combustion turbines described in this section except when otherwise specified in 40 CFR Part 60, Subpart GG.

D.1.3 New Source Performance Standard (NSPS) [326 IAC 12-1][40 CFR Part 60, Subpart GG]

- (a) The eight (8) combustion turbines are subject to 40 CFR Part 60, Subpart GG because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour, based on the lower heating value of the fuel fired.
- (b) Pursuant to 326 IAC 12-1 and 40 CFR 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

- (1) limit nitrogen oxides emissions, as required by 40 CFR 60.332, to:

$$\text{STD} = 0.0075 \frac{(14.4)}{Y} + F,$$

where STD = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis).

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NO_x emission allowance for fuel-bound nitrogen as defined in paragraph (a)(3) of 40 CFR 60.332.

- (2) limit sulfur dioxide emissions, as required by 40 CFR 60.333, to 0.015 percent by volume at 15 percent oxygen on a dry basis, or use natural gas fuel with a sulfur content less than or equal to 0.8 percent by weight.

D.1.4 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1] [40 CFR 63.2]

- (a) Pursuant to Minor Permit Revision No. 179-15577-00026, issued May 16, 2002, the formaldehyde emission rate from each stack shall not exceed 0.00203 pounds per million Btu of heat input (lb/MMBtu). Compliance with this emission rate shall limit the source-wide potential to emit a single HAP to less than 10 tons per twelve (12) consecutive month period, based on compliance with Condition D.1.1 that effectively limits fuel usage at this source.
- (b) Any change or modification which may increase the source-wide potential to emit the combination of HAPs to twenty-five (25) tons per twelve (12) consecutive month period shall require OAQ's prior approval before such change can take place.

Compliance with this condition and D.1.1 shall make the requirements of 326 IAC 2-4.1-1 (New Source Toxics Control) not applicable, and shall make the source an area source, pursuant to the definition of such at 40 CFR 63.2.

D.1.5 Sulfur Dioxide (SO₂) [326 IAC 7-1.1]

Pursuant to 326 IAC 7-1.1, sulfur dioxide emissions from fuel combustion facilities shall be limited to five-tenths (0.5) pounds per million Btu for distillate oil combustion.

D.1.6 Carbon Monoxide Emission Limitations [326 IAC 9-1]

This source is subject to 326 IAC 9-1 because it is a stationary source of CO emissions commencing operation after March 21, 1972. There are no applicable CO emission limits, under this state rule, established for this type of operation.

D.1.7 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan (PMP), in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for eight (8) combustion turbines and their emission control devices.

Compliance Determination Requirements

D.1.8 Continuous Emissions Monitoring [326 IAC 3-5]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, in order to demonstrate compliance with the limits specified in Condition D.1.1 the source shall comply as follows:

- (a) Pursuant to 326 IAC 3-5-1(d)(1), the Permittee shall calibrate, certify, operate and maintain a continuous monitoring system for measuring NO_x and CO emissions rates in pounds per hour from the eight (8) stacks in accordance with 326 IAC 3-5-2 and 326 IAC 3-5-3.
- (b) Pursuant to 326 IAC 3-5-4, the Permittee shall submit to IDEM, OAQ, any updates made to the continuous monitoring standard operating procedure (SOP) document submitted to IDEM, OAQ, on August 31, 2001.
- (c) The Permittee shall record the output of the system and shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.
- (d) Whenever a continuous emission monitoring system (CEMS) is malfunctioning or down, the Permittee shall:
 - (1) use a data substitution procedure for the CO CEMS that is consistent with the requirements of 40 CFR 75.33(b), *Standard Missing Data Substitution Procedures for SO₂ Concentration Data*, and
 - (2) use the *Standard Missing Data Substitution Procedures for NO_x Concentration Data* of 40 CFR 75.33(c) for the NO_x CEMS,

to respectively demonstrate compliance with the CO and NO_x emission limits established in D.1.1.

- (e) The Permittee may submit to IDEM, OAQ, alternative emission factors based on the source's CEMS data, to use in instances of downtime. The alternative emissions factors must be approved by IDEM, OAQ, prior to use in calculating emissions for the limitations established in this permit. The alternative emission factors shall be based upon collected monitoring and test data supplied from an approved continuous emission monitoring system and/or approved performance tests. In the event that the information submitted does not contain sufficient data to establish appropriate emission factors, the Permittee shall continue to collect data until appropriate emission factors can be established. During this period of time, the source shall continue to use the CO and NO_x Missing Data Substitution Procedures specified in 40 CFR Part 75, Subpart D, in periods of downtime

D.1.9 Nitrogen Oxides Monitoring Requirement [326 IAC 10-4-4(b)(1)] [326 IAC 10-4-12(b) and (c)] [40 CFR 75]

The Permittee shall meet the monitoring requirements of 326 IAC 10-4-12(b)(1) through (b)(3) that are applicable to their monitoring systems for the NO_x budget units (i.e., G1CT1 through G4CT2) on or before May 1, 2003. The Permittee shall record, report, and quality assure the data from the monitoring systems on and after May 1, 2003 in accordance with 326 IAC 10-4-12 and 40 CFR 75.

D.1.10 Sulfur Dioxide Emissions and Sulfur Content [326 IAC 3] [326 IAC 7-2] [326 IAC 7-1.1-2]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, the Permittee shall comply as follows:

- (a) Pursuant to 326 IAC 7-1.1-2 and 326 IAC 7-2-1(c)(3), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the equivalent of 0.5 pounds per million Btu using a calendar month average.
- (b) The Permittee shall perform sampling and analysis of fuel oil samples in accordance with 326 IAC 3-7-4(a).
 - (1) The Permittee may rely upon vendor analysis of fuel delivered, if accompanied by a vendor certification [326 IAC 3-7-4(b)]; or,
 - (2) Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.
 - (A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and
 - (B) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling.
- (c) Upon written notification of a facility owner or operator to IDEM, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance. Upon such notification, the other requirements of 326 IAC 7 shall not apply. [326 IAC 7-2-1(g)]

D.1.11 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, and 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor combustion turbine operations as follows:

- (a) Install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine. This system shall be accurate to within 5.0 percent and shall be approved by the Administrator. [40 CFR 60.334(a)]
- (b) Monitor the nitrogen and sulfur content of the fuel fired in each turbine. [40 CFR 60.334(b)]
- (c) On March 24, 2000, the Montpelier Electric Generating Station was issued an alternative monitoring and custom schedule approval for 40 CFR 60, Subpart GG by the USEPA, Region V. Pursuant to this EPA approval, the Permittee shall comply with (a) and (b) of this condition as follows:
 - (1) Use natural gas as the primary fuel for the combustion turbines;
 - (2) Use number 2 fuel oil as a back-up fuel source only. The source shall take a total gallons per year limit on the diesel fuel. The limitation is as follows:

The total input of number 2 fuel oil to each of the eight (8) combustion turbines shall be limited to 197.7 kilo-gallons per twelve (12) consecutive month period per turbine, with compliance demonstrated at the end of each month. This usage limitation is equivalent to 5.9 tons of SO₂ per year and 18.8 tons of NO_x per year; and
 - (3) The Permittee shall continuously monitor the SO₂ and NO_x emissions from each turbine per the requirements of 40 CFR Part 75. To satisfy this requirement, and in lieu of continuous water to fuel ratio monitoring, the Permittee shall use continuous emission monitoring systems (CEMS) for nitrogen oxides (NO_x). The requirements of 40 CFR Part 75 include, but are not limited to, 40 CFR Parts 75.10, 75.11 and 75.12.

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.1.12 Record Keeping Requirements

- (a) To document compliance with Conditions D.1.1, D.1.3, D.1.5, D.1.8, D.1.9, and D.1.11, the Permittee shall maintain records of the following:
 - (1) amount of natural gas combusted in million cubic feet (MMCF) and amount of fuel oil combusted in gallons, per unit (i.e., each turbine and emergency fire pump), during each month;
 - (2) the percent sulfur content of the natural gas (if other than pipeline quality natural gas which is defined as natural gas that is provided by a supplier through a pipeline; 40 CFR Part 72.2) and fuel oil of each unit (turbine and emergency fire pump);

- (3) continuous emissions monitoring data, pursuant to 326 IAC 3-5, including the emission rates of NO_x and CO in pounds per hour, with records maintained pursuant to 326 IAC 3-5-6 such that they may be inspected by IDEM, OAQ, or the U.S. EPA, if so requested or required.
 - (4) the following information, recorded during periods of NO_x and CO CEM system downtime:
 - (A) calendar dates and beginning and ending times of CEM downtime during the compliance determination period;
 - (B) actual natural gas and diesel fuel oil usage, per turbine unit, during CEM downtime;
 - (C) documentation of emission rates of NO_x and CO in pounds per hour, as determined in accordance with Condition D.1.8 (d) and (e);
 - (5) total NO_x and CO emitted in tons per month, per unit (i.e., each turbine and emergency fire pump), for each compliance period.
- (b) To document compliance with Condition D.1.5, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken monthly and shall be complete and sufficient to establish compliance with the SO₂ emission limit established in Condition D.1.5
- (1) Calendar dates covered in the compliance determination period;
 - (2) Actual fuel oil usage since last compliance determination period and equivalent sulfur dioxide emissions;
 - (3) A certification, signed by the owner or operator, that the records of the fuel supplier certifications represent all of the fuel combusted during the period. The natural gas fired facility certification does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34); and
- If the fuel supplier certification is used to demonstrate compliance the following, as a minimum, shall be maintained:
- (4) Fuel supplier certifications;
 - (5) The name of the fuel supplier; and
 - (6) A statement from the fuel supplier that certifies the sulfur content of the fuel oil.
- (c) To document compliance with Condition D.1.7, the Permittee shall maintain records of any additional inspections prescribed by the Preventive Maintenance Plan.
- (d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit. Records taken to demonstrate compliance with emission limitations and standards specified in Section D shall be available to IDEM, OAQ, within 30

days of the end of each compliance period.

D.1.13 Nitrogen Oxides Budget Trading Program [326 IAC 10-4-9(e)(2)]

For the NO_x budget units (i.e., eight (8) combustion turbines, G1CT1 through G4CT2) that commenced operation on or after May 1, 2000, the NO_x authorized account representative shall submit a request for NO_x allowances in accordance with 326 IAC 10-4-9(e) by September 1 of the calendar year that is one (1) year in advance of the first ozone control period for which the NO_x allowance allocation is requested. The NO_x authorized account representative shall submit a request each year that the units will require allowances from the new unit set aside until the units are allocated allowances from the existing source pool. These requests shall be submitted by the NO_x authorized account representative to:

Indiana Department of Environmental Management
Compliance Branch, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

D.1.14 Reporting Requirements

- (a) The Permittee shall submit a quarterly excess emissions report, if applicable, based on the continuous emissions monitor (CEM) data for NO_x and CO, pursuant to 326 IAC 3-5-7. These reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and in accordance with Section C - General Reporting Requirements of this permit.
- (b) A quarterly summary of the information to document compliance with D.1.1 and D.1.11(c)(2) shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported.
- (c) The Permittee shall report periods of excess emissions, as required by 40 CFR 60.334(c).
- (d) The Permittee shall submit upon request reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pounds per million Btu, based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-7, to document compliance with D.1.5.
- (e) The reports shall be submitted within thirty (30) calendar days following the end of each calendar quarter and shall be in accordance with Section C - General Reporting Requirements of this permit. The reports submitted by the Permittee do require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

D.1.15 Reporting Requirements

The natural gas-fired facility certification shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or its equivalent, within thirty (30) days after the end of the semi-annual calendar period being reported. The natural gas-fired facility certification does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

SECTION E

TITLE IV CONDITIONS

Facility Description [326 IAC 2-7-5(15)]

Four (4) Twin Pac combustion turbine generator units, consisting of eight (8) simple cycle turbines and four (4) generators, each generator directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The eight (8) combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO_x emissions control, and exhaust to eight (8) stacks designated as G1CT1S1 through G4CT2S2.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Acid Rain Program

E.1 Acid Rain Permit [326 IAC 2-7-5(1)(C)] [326 IAC 21] [40 CFR 72 through 40 CFR 78]

Pursuant to 326 IAC 21 (Acid Deposition Control), the Permittee shall comply with all provisions of the Acid Rain permit issued for this source, and any other applicable requirements contained in 40 CFR 72 through 40 CFR 78. The Acid Rain permit for this source is attached to this permit as Appendix A, and is incorporated by reference.

E.2 Title IV Emissions Allowances [326 IAC 2-7-5(4)] [326 IAC 21]

Emissions exceeding any allowances that the Permittee lawfully holds under the Title IV Acid Rain Program of the Clean Air Act are prohibited, subject to the following limitations:

- (a) No revision of this permit shall be required for increases in emissions that are authorized by allowances acquired under the Title IV Acid Rain Program, provided that such increases do not require a permit revision under any other applicable requirement.
- (b) No limit shall be placed on the number of allowances held by the Permittee. The Permittee may not use allowances as a defense to noncompliance with any other applicable requirement.
- (c) Any such allowance shall be accounted for according to the procedures established in regulations promulgated under Title IV of the Clean Air Act.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY**

**PART 70 OPERATING PERMIT
CERTIFICATION**

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026

**This certification shall be included when submitting monitoring, testing reports/results
or other documents as required by this permit.**

Please check what document is being certified:

- 9 Annual Compliance Certification Letter
- 9 Test Result (specify) _____
- 9 Report (specify) _____
- 9 Notification (specify) _____
- 9 Affidavit (specify) _____
- 9 Other (specify) _____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Telephone:

Date:

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE BRANCH
100 North Senate Avenue
P.O. Box 6015
Indianapolis, Indiana 46206-6015
Phone: 317-233-5674
Fax: 317-233-5967**

**PART 70 OPERATING PERMIT
EMERGENCY OCCURRENCE REPORT**

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026

This form consists of 2 pages

Page 1 of 2

- | | |
|----------|---|
| 9 | This is an emergency as defined in 326 IAC 2-7-1(12) <ul style="list-style-type: none">C The Permittee must notify the Office of Air Quality (OAQ), within four (4) business hours (1-800-451-6027 or 317-233-5674, ask for Compliance Section); andC The Permittee must submit notice in writing or by facsimile within two (2) working days (Facsimile Number: 317-233-5967), and follow the other requirements of 326 IAC 2-7-16. |
|----------|---|

If any of the following are not applicable, mark N/A

Facility/Equipment/Operation:
Control Equipment:
Permit Condition or Operation Limitation in Permit:
Description of the Emergency:
Describe the cause of the Emergency:

If any of the following are not applicable, mark N/A

Page 2 of 2

Date/Time Emergency started:
Date/Time Emergency was corrected:
Was the facility being properly operated at the time of the emergency? Y N Describe:
Type of Pollutants Emitted: TSP, PM-10, SO ₂ , VOC, NO _x , CO, Pb, other:
Estimated amount of pollutant(s) emitted during emergency:
Describe the steps taken to mitigate the problem:
Describe the corrective actions/response steps taken:
Describe the measures taken to minimize emissions:
If applicable, describe the reasons why continued operation of the facilities are necessary to prevent imminent injury to persons, severe damage to equipment, substantial loss of capital investment, or loss of product or raw materials of substantial economic value:

Form Completed by: _____

Title / Position: _____

Date: _____

Telephone: _____

A certification is not required for this report.

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

**OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

**PART 70 OPERATING PERMIT
SEMI-ANNUAL NATURAL GAS FIRED FACILITY CERTIFICATION**

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026

9	Natural Gas Only
9	Alternate Fuel burned
	From:_____ To:_____

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate, and complete.

Signature:

Printed Name:

Title/Position:

Telephone:

Date:

A certification by the responsible official as defined by 326 IAC 2-7-1(34) is required for this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026
Facility: Eight (8) combustion turbines & one (1) diesel-fired emergency fire pump
Parameter: CO
Limit: less than 250 tons per twelve (12) consecutive month period

Year: _____

Month	CO Emissions (tons/month)		Total CO Emissions for previous 11-month period (tons)	Total CO Emissions for 12-month period (tons)
	Eight (8) turbines	One (1) diesel-fired emergency fire pump		
Month 1				
Month 2				
Month 3				

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Telephone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026
Facility: Eight (8) combustion turbines & one (1) diesel-fired emergency fire pump
Parameter: NOx
Limit: less than 250 tons per twelve (12) consecutive month period

Year: _____

Month	NOx Emissions (tons/month)		Total NOx Emissions for previous 11-month period (tons)	Total NOx Emissions for 12-month period (tons)
	Eight (8) turbines	One (1) diesel-fired emergency fire pump		
Month 1				
Month 2				
Month 3				

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Telephone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

Part 70 Quarterly Report

Source Name: DPL Energy Montpelier Electric Generating Station
 Source Address: 8495 South 450 West, Poneto, Indiana 46781
 Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
 Part 70 Permit No.: T179-15228-00026
 Facility: Eight (8) combustion turbines, identified as G1CT1 through G4CT2
 Parameter: No. 2 diesel fuel oil usage (surrogate for NOx and SO2 emissions)
 Limit: 197.7 kilo-gallons per twelve (12) consecutive month period per turbine

Year: _____

Month	Fuel Oil Usage this Month per Turbine (gallons/month)				Fuel Oil Usage Previous 11-Months Per Turbine (gallons)				Fuel Oil Usage for 12-month Period per Turbine (gallons)			
	G1CT1	G1CT2	G2CT1	G2CT2	G1CT1	G1CT2	G2CT1	G2CT2	G1CT1	G1CT2	G2CT1	G2CT2
Month 1												
Month 2												
Month 3												

Month	Fuel Oil Usage this Month per Turbine (gallons/month)				Fuel Oil Usage Previous 11-Months Per Turbine (gallons)				Fuel Oil Usage for 12-month Period per Turbine (gallons)			
	G3CT1	G3CT2	G4CT1	G4CT2	G3CT1	G3CT2	G4CT1	G4CT2	G3CT1	G3CT2	G4CT1	G4CT2
Month 1												
Month 2												
Month 3												

9 No deviation occurred in this month.

9 Deviation/s occurred in this month.

Deviation has been reported on: _____

Submitted by: _____

Title/Position: _____

Signature: _____

Date: _____

Telephone: _____

Attach a signed certification to complete this report.

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION**

**PART 70 OPERATING PERMIT
QUARTERLY DEVIATION AND COMPLIANCE MONITORING REPORT**

Source Name: DPL Energy Montpelier Electric Generating Station
Source Address: 8495 South 450 West, Poneto, Indiana 46781
Mailing Address: 1065 Woodman Drive, Dayton, Ohio 45432
Part 70 Permit No.: T179-15228-00026

Months: _____ to _____ Year: _____

Page 1 of 2

This report shall be submitted quarterly based on a calendar year. Any deviation from the requirements, the date(s) of each deviation, the probable cause of the deviation, and the response steps taken must be reported. Deviations that are required to be reported by an applicable requirement shall be reported according to the schedule stated in the applicable requirement and do not need to be included in this report. Additional pages may be attached if necessary. If no deviations occurred, please specify in the box marked "No deviations occurred this reporting period".

9 NO DEVIATIONS OCCURRED THIS REPORTING PERIOD.

9 THE FOLLOWING DEVIATIONS OCCURRED THIS REPORTING PERIOD

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)

Date of Deviation:

Duration of Deviation:

Number of Deviations:

Probable Cause of Deviation:

Response Steps Taken:

Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	
Permit Requirement (specify permit condition #)	
Date of Deviation:	Duration of Deviation:
Number of Deviations:	
Probable Cause of Deviation:	
Response Steps Taken:	

Form Completed By: _____

Title/Position: _____

Date: _____

Telephone: _____

Attach a signed certification to complete this report.



Frank O'Bannon
Governor

Lori F. Kaplan
Commissioner

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We make Indiana a cleaner, healthier place to live.

100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.state.in.us/idem

Phase II Acid Rain Permit

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Office of Air Quality

Source Name: Montpelier Electric Generating Station
Source Location: 8265 South 450 West, Poneto, Indiana
County: Wells
Operated By: DPL Energy, LLC
Owned By: DPL Energy, LLC
ORIS Code: 55229

This permit is issued to the above mentioned operator under the provisions of 326 Indiana Administrative Code (IAC) 21 and 40 Code of Federal Regulations (CFR) 72, 40 CFR 75 through 40 CFR 78 and 58 Federal Register (FR) 3590, with conditions listed on the attached pages.

Operation Permit No.: AR 179-11651-00026	
Issued by:	Issuance Date: January 29, 2001
Janet G. McCabe, Assistant Commissioner Office of Air Quality	Expiration Date: January 29, 2006

First Administrative Amendment: AAR 179-16969-00026 Issued July 21, 2003
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Second Administrative Amendment: AAR 179-17969-00026	Pages Amended: Entire Permit
Issued by:	Issuance Date: August 8, 2003
Janet G. McCabe, Assistant Commissioner Office of Air Quality	Expiration Date: January 29, 2006



Title IV Acid Rain

Facilities Description: four (4) Twin Pac combustion turbine generator units, consisting of eight (8) simple cycle turbines and four (4) generators, each generator directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The eight (8) combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO_x emissions control, and exhaust to eight (8) stacks designated as G1CT1S1 through G4CT2S2.

1. Statement of Basis

Statutory and Regulatory Authorities: In accordance with IC 13-17-3-4, IC 13-17-3-11, IC 13-17-8-1 and IC 13-17-8-2 as well as Title IV - Acid Deposition Control - Section 400 of the Clean Air Act, the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ) issues this permit pursuant to 326 IAC 2 and 326 IAC 21 (incorporates by reference 40 CFR 72 through 78).

2. Standard Permit Requirements [326 IAC 21]

- (a) The designated representative has submitted a complete acid rain permit application in accordance with the deadlines in 40 CFR 72.30.
- (b) The owners and operators of each affected source and each affected unit shall operate the unit in compliance with this acid rain permit.

3. Monitoring Requirements [326 IAC 21]

- (a) The owners and operators and, to the extent applicable, the designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR 75.
- (b) The emissions measurements recorded and reported in accordance with 40 CFR 75 and 72.9(b)(1) and (2) shall be used to determine compliance by the unit with the acid rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (c) The requirements of 40 CFR 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Clean Air Act and other provisions of the operating permit for the source.

4. Sulfur Dioxide Requirements [326 IAC 21]

- (a) The owners and operators of each source and each affected unit at the source shall:
 - (1) Hold allowances, as of the allowance transfer deadline (as defined in 40 CFR 72.2), in the unit's compliance subaccount, after deductions under 40 CFR 73.34(c), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and,
 - (2) Comply with the applicable acid rain emissions limitations for sulfur dioxide.

- (b) Each ton of sulfur dioxide emitted in excess of the acid rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Clean Air Act.
- (c) An affected unit shall be subject to the requirements under paragraph (a) of the sulfur dioxide requirements as follows:
 - (1) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or,
 - (2) Starting on the latter of January 1, 2000, or the deadline for monitor certification under 40 CFR 75, an affected unit under 40 CFR 72.6(a)(3).
- (d) Allowances shall be transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.
- (e) These units were not allocated allowances by United States Environmental Protection Agency (U.S. EPA) under 40 CFR part 73. However, these units must still comply with the requirement to hold allowances to account for sulfur dioxide emissions under (a) and 326 IAC 21.
- (f) An allowance allocated by the U.S. EPA under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the acid rain permit application, the acid rain permit, the acid rain portion of an operating permit, or the written exemption under 40 CFR 72.7 and 72.8 and 326 IAC 21, and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization. Pursuant to 40 CFR 72.9(c)(7), allowances allocated by U.S. EPA do not constitute a property right.
- (g) These units have no sulfur dioxide (SO₂) allowance allocations from U.S. EPA. The allowances shall be obtained from other units to account for the SO₂ emissions from these units as required by 40 CFR 72.9(c).

5. Nitrogen Oxides Requirements [326 IAC 21]

Pursuant to 40 Code of Federal Regulations (CFR) 76, Acid Rain Nitrogen Oxides Emission Reduction Program, the units are not subject to the nitrogen oxide limitations set out in 40 CFR 76.

6. Excess Emissions Requirements for Sulfur Dioxide [326 IAC 21]

- (a) The designated representative of an affected unit that has excess emissions of sulfur dioxide in any calendar year shall submit a proposed offset plan to U.S. EPA and IDEM, OAQ as required under 40 CFR 77 and 326 IAC 21.

- (b) The designated representative shall submit required information to:

Indiana Department of Environmental Management
Air Compliance Section I, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

Ms. Cecilia Mijares
Air and Radiation Division
U.S. Environmental Protection Agency, Region V
77 West Jackson Boulevard
Chicago, IL 60604-3590

and

U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460

- (c) The owners and operators of an affected unit that has excess emissions in any calendar year shall:
 - (1) Pay to U.S. EPA without demand the penalty required, and pay to U.S. EPA upon demand the interest on that penalty, as required by 40 CFR 77 and 326 IAC 21; and,
 - (2) Comply with the terms of an approved sulfur dioxide offset plan, as required by 40 CFR 77 and 326 IAC 21.

7. Record Keeping and Reporting Requirements [326 IAC 21]

- (a) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years, as required by 40 CFR 72.9(f), from the date the document is created. This period may be extended for cause, at any time prior to the end of the 5 years, in writing by U.S. EPA or IDEM, OAQ:
 - (1) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5 year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;
 - (2) All emissions monitoring information, in accordance with 40 CFR 75;
 - (3) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (4) Copies of all documents used to complete an acid rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.

- (b) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR 72.90 subpart I, 40 CFR 75, and 326 IAC 21. Submit required information to the appropriate authority(ies) as specified in 40 CFR 72.90 subpart I and 40 CFR 75.

8. Submissions [326 IAC 21]

- (a) The designated representative shall submit a certificate of representation, and any superseding certificate of representation, to U.S. EPA and IDEM, OAQ in accordance with 40 CFR 72 and 326 IAC 21.
- (b) The designated representative shall submit required information to:

Indiana Department of Environmental Management
Permit Administration Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

U.S. Environmental Protection Agency
Clean Air Markets Division
1200 Pennsylvania Avenue, NW
Mail Code (6204N)
Washington, DC 20460
- (c) Each such submission under the Acid Rain Program shall be submitted, signed and certified by the designated representative for all sources on behalf of which the submission is made.
- (d) In each submission under the Acid Rain Program, the designated representative shall certify, by his or her signature, the following statements, which shall be included verbatim in the submission:
 - (1) "I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made."; and,
 - (2) "I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment."
- (e) The designated representative of a source shall notify each owner and operator of the source and of an affected unit at the source:

- (1) By the date of submission, of any Acid Rain Program submissions by the designated representative;
 - (2) Within 10 business days of receipt of any written determination by U.S. EPA or IDEM, OAQ; and,
 - (3) Provided that the submission or determination covers the source or the unit.
- (f) The designated representative of a source shall provide each owner and operator of an affected unit at the source a copy of any submission or determination under condition (e) of this section, unless the owner or operator expressly waives the right to receive a copy.

9. Severability [326 IAC 21]

Invalidation of the acid rain portion of an operating permit does not affect the continuing validity of the rest of the operating permit, nor shall invalidation of any other portion of the operating permit affect the continuing validity of the acid rain portion of the permit. [40 CFR 72.72(b), 326 IAC 21, and 326 IAC 2-7-5(5)]

10. Liability [326 IAC 21]

- (a) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement by U.S. EPA pursuant to Section 113(c) of the Clean Air Act and shall be subject to enforcement by IDEM pursuant to 326 IAC 21 and IC 13-30-3.
- (b) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to Section 113(c) of the Clean Air Act, 18 U.S.C. 1001 and IDEM pursuant to 326 IAC 21 and IC 13-30-6-2.
- (c) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (d) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (e) Any provision of the Acid Rain Program that applies to an affected source, including a provision applicable to the designated representative of an affected source, shall also apply to the owners and operators of such source and of the affected units at the source.
- (f) Any provision of the Acid Rain Program that applies to an affected unit, including a provision applicable to the designated representative of an affected unit, shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NOx averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR 75, including 40 CFR 75.16, 75.17, and 75.18, the owners and operators and the designated representative of one affected unit shall not be liable for any violation by any other affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated

Montpelier Electric Generating Station
Poneto, Indiana
Permit Reviewer: Cynthia Bymaster

Page 7 of 7
AAR No. 179-17969-00026

representative.

- (g) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Clean Air Act.

11. Effect on Other Authorities [326 IAC 21]

No provision of the Acid Rain Program, an acid rain permit application, an acid rain permit, an acid rain portion of an operation permit, or a written exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (a) Except as expressly provided in Title IV of the Clean Air Act (42 USC 7651 to 7651(o)), exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Clean Air Act, including the provisions of Title I of the Clean Air Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;
- (b) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any other provisions of the Clean Air Act;
- (c) Requiring a change of any kind in any state law regulating electric utility rates and charges, affecting any state law regarding such state regulation, or limiting such state regulation, including any prudence review requirements under such state law;
- (d) Modifying the Federal Power Act (16 USC 791(a) et seq.) or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,
- (e) Interfering with or impairing any program for competitive bidding for power supply in a state in which such a program is established.

Indiana Department of Environmental Management Office of Air Quality

Addendum to the Technical Support Document (TSD) for a Part 70 Operating Permit

Source Background and Description

Source Name: DPL Energy Montpelier Electric Generating Station
Source Location: 8495 South 450 West, Poneto, Indiana 46781
County: Wells
SIC Code: 4911
Part 70 Operation Permit No.: T179-15228-00026
Permit Reviewer: Michael Hirtler / EVP

On May 23, 2003, the Office of Air Quality (OAQ) had a notice published in the Bluffton News Banner, Bluffton, Indiana, stating that DPL Energy (DPLE) had applied for a Part 70 Operating Permit to operate their Montpelier Electric Generating Station. The notice also stated that OAQ proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On July 3 and July 22, 2003, OAQ received comments from DPLE in relation to the proposed Part 70 permit. The comments and related responses follow, with any changes made to the permit shown in bold and deleted permit language shown with a line through it:

Comment 1:

326 IAC 2-7-5 – Permit Content:

The Indiana Administrative Code at 326 IAC 2-7-5 (1)(E) requires each term and condition identified in the permit to specify if it is federally enforceable or state enforceable. It is unclear throughout the permit which terms and conditions are federally or state enforceable. DPLE suggests IDEM clarify in the permit the enforceability of each of the applicable requirements. DPLE believes this would help to clarify the apparent inconsistency, as relates to our concerns stated at Comment 3 below.

Response to Comment 1:

Pursuant to Condition B.3, “unless otherwise stated, all terms and conditions in this permit, including any provisions designed to limit the source’s potential to emit, are enforceable by IDEM, the United States Environmental Protection Agency (U.S. EPA) and by citizens in accordance with the Clean Air Act.” In this permit, all requirements are federally enforceable except for Conditions C.1(b), C.3 (Open Burning), C.4 (Incineration), each of which explicitly states that the underlying citation, either in whole or part, is not federally enforceable. That notwithstanding, these requirements are state enforceable as indicated in B.3. With respect to this comment and its impact on Condition B.11 (i.e., Comment 3), IDEM does not believe there to be any inconsistency regarding B.11 for the reason stated at the Response to Comment 3. There are no changes to the permit due to this comment.

Comment 2:

Section A.1 (Contact Person and Mailing Address):

Due to the use of an incorrect mailing address, the draft permit was not received by DPLE in a timely manner to allow for comments within the thirty-day comment period. DPLE was given extra time to review the draft permit and prepare its comments. To ensure proper delivery and receipt of future correspondence, please use the following address:

DPL Energy Operations Manager
1065 Woodman Drive
Dayton, Ohio 45432

Response to Comment 2:

While Section A.1 already reflects this information, IDEM, OAQ, will update its files to ensure that this mailing address is used for future mailings to the Permittee. There is no change to the permit due to this comment.

Comment 3:

Section B.11 – Preventive Maintenance Plan (PMP):

IDEM cites 326 IAC 2-7-5(1),(3) and (13), 326 IAC 2-7-6(1) and (6), 326 IAC 1-6-3 as applicable standards under this term and condition. IDEM states that the PMP does not require the certification by the “responsible official”, inferring this is a “state-only” requirement. It appears that the inclusion of 326 IAC 2-7-6(1) is inappropriately included, as it requires a certification by a responsible official, inferring this is a “federally enforceable” requirement. IDEM needs to clarify the contradictory requirements of this section.

The reference to 326 IAC 2-7-6(1) should be removed since it requires certification by a responsible official. DPLE is unclear as to why this reference is included when B.11(c) states certification is not required. It continues to be unclear if the rule supercedes the permit language, or if the permit language supercedes the rule as cited.

Response to Comment 3:

40 CFR Part 70 requires any application form, report, or compliance certification to be certified by the Responsible Official. This is likewise required pursuant to 326 IAC 2-7-6(1). Regarding Condition B.11(c), a “responsible official” certification is not necessary when submitting a Preventive Maintenance Plan (PMP) because IDEM and U.S. EPA have determined that PMPs do not qualify as an application, report, or compliance certification; therefore, they are not required to be certified pursuant to 326 IAC 2-7-6(1). There are no changes to this condition due to this comment.

Comment 4:

Section C.12 – Maintenance of Continuous Emission Monitoring Equipment

IDEM should include in paragraph (b) a reference to 40 CFR 75. These units are subject to these requirements.

Response to Comment 4:

IDEM, OAQ agrees that this specific reference is applicable to this utility source and is added to the condition as follows:

C.12 Maintenance of Continuous Emission Monitoring Equipment [326 IAC 2-7-5(3)(A)]

- (b) All continuous emission monitoring systems shall meet all applicable performance specifications of 40 CFR 60, **40 CFR 75**, or any other performance specification, and are subject to monitor system certification requirements pursuant to 326 IAC 3-5-3.

Comment 5:

Section C.13 – Monitoring Methods

IDEM did not include a reference to 40 CFR 75 as an applicable requirement. Since the combustion turbines are subject to these requirements, DPLE requests the inclusion of this regulatory citation.

Response to Comment 5:

IDEM, OAQ agrees that this specific reference is applicable to this utility source and is added to the condition as shown below. The table of contents is also revised without replication herein.

C.13 Monitoring Methods [326 IAC 3] [40 CFR 60] [40 CFR 63][40 CFR 75**]**

Any monitoring or testing required by Section D of this permit shall be performed according to the provisions of 326 IAC 3, 40 CFR 60 Appendix A, 40 CFR 60 Appendix B, 40 CFR 63, **40 CFR 75**, or other approved methods as specified in this permit.

Comment 6:

Section C.16 – Compliance Response Plans

DPLE believes this section is unlawful and unreasonable, and should be removed from the permit. There is neither statutory nor regulatory authority to authorize IDEM to require the preparation of a Compliance Response Plan (CRP) or to make this an enforceable term of the permit. The specific regulations cited by IDEM, 326 IAC 2-7-5 and 326 IAC 2-7-6, do not authorize IDEM to require the preparation of a CRP. By requiring the completion of a CRP and then making failure to take reasonable response steps a deviation of the permit [C.16 (b)(4)], IDEM creates potential violations of the permit that are not legally applicable requirements. Further, this requirement is unreasonable because it is vague and uses undefined terms (Compliance Response Plan and Compliance Monitoring Condition). Finally, the requirements set forth in this section of the permit are so overly vague and ambiguous that compliance with this section of the permit may be impossible. Accordingly, this section is both unlawful and unreasonable, and should be removed from the permit.

DPLE continues to believe the inclusion of this requirement is unlawful, in addition to being inappropriate. We understand IDEM's desire to include rules that could become applicable, however, were such to become applicable, it would require a reopening of the permit. Since it does not apply, its inclusion is confusing, at best. We would strongly encourage its removal.

Response to Comment 6:

IDEM believes there is sufficient authority to require the CRP as part of requisite compliance monitoring. 326 IAC 2-7-5(1) requires that all Part 70 permits contain operational requirements and limitations that assure compliance with all applicable requirements. 326 IAC 2-7-5(3) requires that all Part 70 permits contain monitoring and related record keeping requirements which assure that all reasonable information is provided to evaluate continuous compliance with applicable requirements. 326 IAC 2-7-5(3)(A)(ii) requires that, at a minimum, the periodic monitoring requirements must be sufficient to yield reliable data from the relevant time period that are representative of the source's compliance, even where the applicable requirement does not require periodic testing or instrumental monitoring. Also, 326 IAC 2-7-6(1) requires that each Part 70 permit contain compliance certification, testing, monitoring, reporting and record keeping requirements sufficient to assure compliance with the terms and conditions of the permit and, pursuant to 326 IAC 2-7-6(6), any other provisions that IDEM may require.

In addition to the above, the requirement for compliance monitoring, or the elements thereof (i.e., CRP), are consistent with respect to the court decision in Appalachian Power Company, et. al. v. Environmental Protection Agency, (D.C. Circ. 2000) 208 F.3d 1015. Although many Permittees have claimed that the requirement for compliance monitoring, or the elements thereof, are inconsistent with the court's ruling in this case, Indiana's Title V (and FESOP) rules concerning compliance monitoring are different than the corresponding federal counterpart. The provisions of 326 IAC 2-7-5(3) state that each Part 70 permit must include: "Monitoring and related record keeping and reporting requirements which assure that all reasonable information is provided to evaluate continuous compliance with the applicable requirements." Additionally, the language of 326 IAC 2-7-5(3) clearly suggests that existing federal monitoring requirements are considered only as "minimum" permit requirements. Further, the Petitioners in Appalachian Power did not question a state's permitting authority to adopt more stringent permit requirements than federal law requires. Rather, the Petitioners questioned the EPA's authority to require state permitting authorities, in issuing Title V permits, to make revisions to monitoring requirements in existing federal standards, Id. at p. 1019, n.6, p. 1024. The difference in the Indiana Title V (and FESOP) rules results in Indiana's ability to institute more stringent compliance monitoring requirements than the "gap-filling" constraints that were set forth by the court in Appalachian Power.

With respect to the comment on the undefined terms "compliance response plan", or CRP, and "compliance monitoring condition", both are explained as follows. The "compliance monitoring condition" refers to those compliance monitoring conditions of Section D of the permit. This permit has no specific compliance monitoring conditions in Section D and, therefore, no CRP is required. Nonetheless, Condition C.16 shall remain in this permit to ensure compliance in the event any future modification results in a new compliance monitoring requirement in Section D of this permit. In regards to the "compliance response plan", IDEM has defined such in terms of specifying the information needed to complete a CRP. Completion of a CRP is dependent upon the associated compliance monitoring condition, which is itself dependent upon the type of process equipment utilized; any associated control equipment; the underlying emission limits or standard; and such other parameters specific to that operation. Since a CRP is dependent upon these variables, IDEM believes the requirements for the preparation of the CRP (when applicable) to be appropriate and not "vague".

It is again noted that the requirements for C.16 apply to specified compliance monitoring conditions contained in Section D of a permit. This permit has no such conditions in Section D. That notwithstanding, Condition C.16 shall remain in the permit without change for the reasons stated in the preceding paragraphs.

Comment 7:

Section D.1.8 – Continuous Emissions Monitoring

- (a) Paragraph (d) should be reworded to read:

The Permittee shall substitute missing data for CO and NO_x in accordance with the following requirements:

- (b) Paragraph (d)(2) incorrectly references 40 CFR 75.33(b) for the use of "...Standard Missing Data Substitution Procedures for NO_x Concentration Data". This should be corrected to read 40 CFR 75.33(c)

Response to Comment 7:

40 CFR 75.30 requires that the owner or operator of an affected source provide substitute data for an affected unit using a continuous emission monitor (CEM) whenever the unit combusts fuel and the required parameter (e.g., NO_x emission rate) has not been measured and recorded. Since this requirement is general and does not consider the reason for CEM downtime leading to the missing data, the condition is revised. Also, the citation is corrected at D.1.8(d)(2). Therefore, Condition D.1.8 (d) is revised as follows:

D.1.8 Continuous Emissions Monitoring [326 IAC 3-5]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, in order to demonstrate compliance with the limits specified in Condition D.1.1 the source shall comply as follows:

- (d) Whenever a continuous emission monitoring system (CEMS) is malfunctioning or down ~~for repairs or adjustments~~, the Permittee shall:

- (1) use a data substitution procedure for the CO CEMS that is consistent with the requirements of 40 CFR 75.33(b), *Standard Missing Data Substitution Procedures for SO₂ Concentration Data*; and
- (2) use the *Standard Missing Data Substitution Procedures for NO_x Concentration Data* of 40 CFR 75.33~~(b)~~**(c)** for the NO_x CEMS,

to respectively demonstrate compliance with the CO and NO_x emission limits established in D.1.1.

Comment 8:

Technical Support Document

Page 2 of 23 – Existing Approvals – The lettering appears to be incorrect as the last sentence refers to a paragraph (g) that does not exist.

Page 4 of 23 – Under the section discussing D.1.10, paragraph (2) contains a reference to sixteen (16) turbines. As previously stated in the Technical Support Document, there are only eight (8) units installed at the site.

Response to Comment 8:

The Technical Support Document (TSD) reflects the version of the draft permit that was placed on public notice. Changes to the permit or technical support material that occur after the public notice ends are presented in this Addendum to the TSD. This ensures that permit related concerns are documented as part of the record regarding this permit decision. Unlike the TSD, this Addendum contains no **Existing Approvals** section; however, with respect to these comments, the following clarification is provided. First, the reference to paragraph (g) at the last sentence on page 2 of 23 is correct. Paragraph (g) is found on page 6 of 23 of the TSD. Second, the discussion of D.1.10 made on page 4 of 23 of the TSD is also correct. As indicated in the TSD, the condition is replicated from New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, which was issued for sixteen (16) turbines. As explained throughout the TSD to this Part 70 approval, the number of units has been reduced herein to eight (8) turbines, since the source did not construct the other 8 turbines approved in December 2000. Therefore, both discussions in the original TSD are correct.

Upon further review, and in addition to the Comments/Responses presented above, the OAQ has decided to make the following changes to this Part 70 permit (changes in bold and strikeout for emphasis). Similar changes are also made to the Table of Contents, as necessary, without replication below.

1. Condition D.1.4 is revised since the condition refers to an emission limitation specified in Condition D.1.1 which seemingly does not have a clear connection with D.1.4. As stated on pages 10 and 22 of the Technical Support Document (TSD), compliance with the D.1.1 NO_x and CO permit limits of less than 250 tons per year for each pollutant, demonstrated through the operation of NO_x and CO CEMS, will in effect restrict corresponding fuel usage at this source such that other pollutant emissions will be well below applicable standards and limits. Condition D.1.4 is revised to provide a more explicit and enforceable means of stating this relationship as follows:

D.1.4 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1] [40 CFR 63.2]

- (a) Pursuant to Minor Permit Revision No. 179-15577-00026, issued May 16, 2002, the formaldehyde emission rate from each stack shall not exceed 0.00203 pounds per million Btu of heat input (lb/MMBtu). ~~This emission rate in combination with the emission limitations specified in Condition D.1.1, shall ensure that single HAP emissions, as formaldehyde, do not exceed 10 tons per year.~~ **Compliance with this emission rate shall limit the source-wide potential to emit a single HAP to less than 10 tons per twelve (12) consecutive month period, based on compliance with Condition D.1.1 that effectively limits fuel usage at this source.**
- (b) Any change or modification which may increase the source-wide potential to emit the combination of HAPs to twenty-five (25) tons per twelve (12) consecutive month period shall require OAQ's prior approval before such change can take place.

Compliance with this condition and D.1.1 shall make the requirements of 326 IAC 2-4.1-1 (New Source Toxics Control) not applicable, and shall make the source an area source, pursuant to the definition of such at 40 CFR 63.2.

2. Condition D.1.11, paragraphs (a) and (b), are revised to more completely reflect the requirements of the rule as follows:

D.1.11 NSPS Compliance Requirements [326 IAC 12][40 CFR Part 60.334 (Subpart GG)]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, and 40 CFR Part 60, Subpart GG (Stationary Gas Turbines), the Permittee shall monitor combustion turbine operations as follows:

- (a) Install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine, ~~as required by 40 CFR 60.334(a); and. This system shall be accurate to within 5.0 percent and shall be approved by the Administrator. [40 CFR 60.334(a)]~~
 - (b) Monitor the nitrogen and sulfur content of the fuel fired in each turbine., ~~as required by [40 CFR 60.334(b)]~~
3. Section E (Acid Rain Program Conditions) and Appendix A (Acid Rain Permit) are both revised. As indicated on page 3 of 23 in the original TSD, the equipment listings in Sections A.2 and D.1 of the draft Part 70 permit are not similar to Section E (Acid Rain Program Conditions) nor to Attachment A (i.e., Acid Rain Permit No. AR 179-11651-00026). This is due to the fact that the Acid Rain Permit is a separate approval from the Part 70 permit. The equipment description (and conditions) found in AR No. 179-11651-00026 must be reflected until an approval is issued that revises any such permit information. On December 12, 2002, DPL Energy applied for a modification to its Phase II Acid Rain permit to reflect the fact that they decided to install only eight (8) of the sixteen (16) originally permitted turbines. On July 21, 2003, IDEM approved this request and issued Acid Rain Permit Amendment No. AAR 179-16969-00026. Consistent with this amendment, the equipment description boxes at Section E and Attachment A are revised as shown below, and Appendix A of the draft Part 70 permit, originally as Acid Rain Permit No. AR 179-11651-00026, is replaced with the most current version of the acid rain permit, AAR No 179-17969-00026, issued on August 8, 2003. This second amendment includes those changes of AAR 179-16969, and it also revises the name of the owner/operator found on the permit cover page.

Facilities Description: ~~eight (8) four (4)~~ Twin Pac combustion turbine generator units, consisting of ~~sixteen (16) eight (8)~~ simple cycle turbines and ~~eight (8) four (4)~~ generators, each generator directly connected to two (2) combustion turbines. The generators are designated as units G1 through ~~G8 G4~~, and the two (2) combustion turbines, which are directly connected to each generator, are designated as CT1 and CT2. The ~~sixteen (16) eight (8)~~ combustion turbines have an anticipated maximum heat input capacity of 270.9 MMBTU/hr (Lower Heating Value, LHV) per turbine unit, a maximum nominal output of 25 MW per turbine, with water-injection for NO_x emissions control, and exhaust to ~~sixteen (16) eight (8)~~ stacks designated as G1CT1S1 through ~~G8CT2S2 G4CT2S2~~.

4. OAQ has decided to move the provision that is required by 326 IAC 2-7-5(6) from Condition B.8 to the front of the permit. Therefore, Condition B.8 is deleted as shown below and added to the permit cover page without reproduction herein. The Section B conditions after B.8 are renumbered accordingly and the Table of Contents is revised, both without replication herein.

~~B.8 Compliance with Permit Conditions [326 IAC 2-7-5(6)(A)] [326 IAC 2-7-5(6)(B)]~~

-
- ~~(a) The Permittee must comply with all conditions of this permit. Noncompliance with any provisions of this permit is grounds for:~~
- ~~(1) Enforcement action;~~
- ~~(2) Permit termination, revocation and reissuance, or modification; or~~
- ~~(3) Denial of a permit renewal application;~~
- ~~(b) Noncompliance with any provision of this permit, except any provision specifically designated as not federally enforceable, constitutes a violation of the Clean Air Act.~~
- ~~(c) It shall not be a defense for the Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.~~
- ~~(d) An emergency does constitute an affirmative defense in an enforcement action provided the Permittee complies with the applicable requirements set forth in Section B, Emergency Provisions.~~

Indiana Department of Environmental Management Office of Air Quality

Technical Support Document (TSD) for a Part 70 Operating Permit

Source Background and Description

Source Name: DPL Energy Montpelier Electric Generating Station
Source Location: 8495 South 450 West, Poneto, Indiana 46781
County: Wells
SIC Code: 4911
Part 70 Operation Permit No.: T179-15228-00026
Permit Reviewer: Michael Hirtler / EVP

The Office of Air Quality (OAQ) has reviewed a Part 70 permit application from DPL Energy relating to the operation of an electric generating station identified as the Montpelier Electric Generating Station.

Permitted Emission Units and Pollution Control Equipment

The source consists of the following permitted emission units and pollution control devices:

Four (4) FT-8 Pratt & Whitney Twin-Pac units, installed in February 2001, consisting of eight (8) simple cycle natural gas-fired combustion turbines, utilizing No. 2 diesel oil as a back-up fuel source, and four (4) electric generators. Each generator is directly connected to two (2) combustion turbines. The generators are designated as units G1 through G4, and the two (2) combustion turbines directly connected to each generator are designated as CT1 and CT2. Each of the eight (8) combustion turbines has an anticipated maximum heat input capacity of 270.9 MMBtu/hr (Lower Heating Value, LHV), a nominal output of 25 MW, water-injection for NO_x emissions control, and exhausts to one (1) dedicated stack respectively designated as G1CT1S1 through G4CT2S2. Each stack is equipped with a continuous emissions monitoring system (CEMS) to measure NO_x and CO emissions.

Unpermitted Emission Units and Pollution Control Equipment

There are no unpermitted facilities operating at this source during this review process.

Insignificant Activities

The source also consists of the following insignificant activities, as defined in 326 IAC 2-7-1(21):

- (a) Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons.
- (b) Application of oils, greases, lubricants, or other nonvolatile materials applied as temporary protective coatings.
- (c) Closed loop heating and cooling systems.
- (d) Heat exchanger cleaning and repair.

- (e) Paved and unpaved roads and parking lots.
- (f) Equipment used to collect any material that might be released during a malfunction, process upset, or spill cleanup, including catch tanks, temporary liquid separators, tanks, and fluid handling equipment.
- (g) Other emergency equipment as stationary fire pumps, specifically including:

One (1) diesel-fired emergency fire pump, with a maximum heat input capacity of 1.0 MMBtu/hr, exhausting to the atmosphere.
- (h) Electric space heaters.

Existing Approvals

The source has been operating under previous approvals including, but not limited to, the following:

- (a) New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000;
- (b) Acid Rain Permit No. AR 179-11651-00026, issued January 29, 2001;
- (c) First Minor Permit Revision No. 179-15577, issued May 16, 2002;
- (d) First Notice Only Change No. 179-16164, issued March 10, 2003; and
- (e) Acid Rain Permit Administrative Amendment No. 179-16969, not yet issued.

All conditions from previous approvals were incorporated into this Part 70 permit, except the following changes have been made:

- (a) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

Section A.2 (Emissions Units and Pollution Control Equipment Summary): Paragraph (a) of this section lists "eight (8) Twin Pac combustion turbine generator units, consisting of sixteen (16) simple cycle turbines and eight (8) generators" installed at the source.

Reason changed: A letter was received on November 26, 2002 from the Permittee indicating that only four (4) Twin Pac generating units have been installed at the plant site, instead of the eight (8) Twin Pac units approved under MSOP No. 179-12321-00026. As such, four (4) Twin Pac units (i.e., eight (8) simple cycle turbines and four (4) generators) are reflected in this Part 70 operating permit. The Permittee has acknowledged that any future change to the plant to install additional generating equipment will require OAQ approval prior to such installation. Therefore, Section A.2 is revised to reflect this equipment change, and the same descriptive changes are likewise made as needed in Section D.1 and the permit's reporting forms. This change does not otherwise alter any usage and/or emission limitations of the permit, except as discussed in paragraph (g) below.

It is noted that the revisions to Sections A.2 and D.1, as described above, are not similarly made in this Part 70 permit at Section E (*Acid Rain Program Conditions*) nor to Attachment A (i.e., Acid Rain Permit No. AR 179-11651-00026). This is due to the fact that the Acid Rain Permit is an approval independent from this Part 70 permit, and the equipment descriptions and conditions found in existing AR 179-11651-00026 must be reflected in the Part 70 permit. However, upon issuance of Acid Rain Permit Amendment No.179-16969, such changes will be incorporated into this Part 70 permit at Section E and Attachment A.

(b) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

Section A.2 (Emissions Units and Pollution Control Equipment Summary): Paragraph (b) of this section lists "Natural gas-fired space heating equipment, with a maximum heat input capacity of 0.1 MMBtu/hr and exhaust to the atmosphere" installed at the source.

Reason changed: Information was received on April 16, 2003 from the Permittee indicating that this equipment was never constructed; instead, electric heaters were installed. Therefore, this equipment, as referred to at Section A.2, the Section D.1 facility description box, D.1.1 (PSD Minor Limit), D.1.11 (Record Keeping), and the two (2) related NO_x and CO quarterly reporting forms, is not included in this Part 70 permit.

(c) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

Section A.2 (Emissions Units and Pollution Control Equipment Summary): Paragraph (d) of this section lists "one (1) fuel oil storage tank, with a maximum storage capacity of 400,000 gallons, a maximum volume of 55,418 ft³ and vents to the atmosphere" installed at the source.

Reason changed: Information was received on April 16, 2003 from the Permittee indicating that the fuel oil storage tank was never constructed. The Permittee has indicated that if oil is fired at this source, they will use only portable tanks (i.e., tanker trucks) for storage. Therefore, the 400,000 gallon tank, as referred to at Section A.2, the Section D.1 facility description box, and D.1.11 (Record Keeping), is not included in this Part 70 permit.

(d) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

D.1.9 Continuous Emissions Monitoring [326 IAC 3-5]

Pursuant to New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000, in order to demonstrate compliance with the limits specified in Condition D.1.1 the source shall comply as follows:

- (c) In instances of downtime, the source shall use EPA's AP-42 emission factors for stationary gas turbines to demonstrate compliance with the CO emission limit established in D.1.1, and use the Missing Data Substitution Procedures outlined in 40 CFR Part 75, Subpart D to demonstrate compliance with the NO_x emission limit established in D.1.1.

Reason changed: The use of EPA's AP-42 emission factors to establish CO emission limit compliance with D.1.1 during CEM downtime is revised. The CO emission factors found in AP-42, Section 3.1, are inconsistent with (i.e., lower than) the vendor's emission rates contained in the TSD to the permit, particularly during natural gas fuel firing. The results of the CEMS relative accuracy test audit (RATA), conducted in August 2001, verify that actual turbine CO emission rates are greater than that suggested by AP-42 (RATA testing done on natural gas fuel at 100% turbine load). IDEM, OAQ, has decided that the missing data substitution procedure found in 40 CFR Part 75, Subpart D, for SO₂ shall instead be used in D.1.9(c) (now as D.1.8(d) in the Part 70 permit) during periods of CO CEMS downtime in order to demonstrate compliance with D.1.1.

(e) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

D.1.10 326 IAC 7-2 [Sulfur Content Compliance]

Pursuant to 326 IAC 7-2-1, the Permittee shall demonstrate that the fuel oil sulfur content does not exceed 0.5 pounds per million Btus by:

- (1) Fuel sampling and analysis data shall be collected pursuant to procedures specified in 326 IAC 3-7-4 for oil combustion, and these data may be used to determine compliance or noncompliance with the emission limitations contained in 326 IAC 7-1.1. Computation of calculated sulfur dioxide emission rates from fuel sampling and analysis data shall be based on AP-42 emission factors, unless other emission factors based on site specific sulfur dioxide measurements are approved by the commissioner and the USEPA. Fuel sampling and analysis data shall be collected as follows:
 - (a) compliance or noncompliance shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million Btus unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Providing vendor analysis of fuel delivered, if accompanied by a certification; or
 - (b) compliance or noncompliance shall be determined by using a calendar month average sulfur dioxide emission rate in pounds per million Btus unless a shorter averaging time or alternate methodology is specified under 326 IAC 7-2. Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.
 - (i) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and
 - (ii) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling
- (2) Compliance or noncompliance with the emission limitation specified in 326 IAC 7-1.1 may be determined by conducting a stack test for sulfur dioxide emissions from the sixteen (16) combustion turbines, using 40 CFR 60, Appendix A, Method 6, 6A, 6C, or 8, in accordance with the procedures in 326 IAC 3-6.
- (3) Upon written notification of a facility owner or operator to the department, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance.

- (4) A determination of noncompliance pursuant to either of the methods specified in (1), (2) or (3) above shall not be refuted by evidence of compliance pursuant to the other method.

Reason changed: Paragraph (2), which is based on the requirements of 326 IAC 7-2-1(d), does not provide a continuous means of demonstrating compliance for Part 70 permitting purposes. Only the provisions of 326 IAC 7-2-1(c) for fuel analysis (i.e., paragraph (1)), and 326 IAC 7-2-1(g) for CEMs (i.e., paragraph 4), satisfy this requirement for Part 70 permitting. Related paragraph (4), which should not include a reference to paragraph (3) pursuant to 326 IAC 7-2-1(f), is likewise removed. This condition, as D.1.10 in this Part 70 permit, has been re-worded to provide greater clarity and to add appropriate rule citations.

- (f) *New Source Construction/MSOP No. 179-12321-00026, issued December 29, 2000:*

D.1.11 Record Keeping Requirements

- (b) To document compliance with D.1.2, the source shall maintain records of the natural gas analyses, including the sulfur and nitrogen content of the gas, for a period of three (3) years.

Reason changed: The requirement to monitor fuel sulfur and nitrogen to comply with referenced D.1.2 is based on the requirements of 40 CFR 60.334. However, 40 CFR.334 provides an affected source with an opportunity to develop an alternative means of monitoring which requires approval by U.S. EPA. As stated in the Addendum to the Technical Support Document to MSOP No. 179-12321-00026, DPL Energy submitted a request to U.S. EPA Region V on February 21, 2000 to approve alternative fuel nitrogen and sulfur monitoring. USEPA, Region V subsequently determined that the Acid Rain Program monitoring requirements may be used to demonstrate compliance with 40 CFR Part 60, Subpart GG for this source. The EPA's approval was granted based on the source complying with the following criteria, taken from the Addendum to the MSOP:

1. The affected units are subject to 40 CFR Part 75 or required to continuously monitor for NO_x and SO₂ in accordance with 40 CFR Part 75.
2. The permitting authority has established federally enforceable emission limits on the exhaust gases which are equal to or more stringent than the limits for NO_x and SO₂ under Subpart GG.
3. The permitting authority has established federally enforceable limits on the sulfur content and amount of number 2 fuel oil which could be burned as a back-up provided DPL and the permitting agency clarify what is meant by the term "limited quantities".
4. The source must meet all of the applicable continuous emission monitoring requirements, as specified in 40 CFR Part 75. These requirements include, but are not limited to, those given at 40 CFR Part 75.10, 75.11 and 75.12.
5. The source must meet the requirements of 40 CFR Part 60.7(c) and 40 CFR Part 60.334(c).
6. The affected units burn only pipeline quality natural gas as the primary fuel.

In meeting the above criteria, alternative monitoring was approved by USEPA, Region V for this source on March 24, 2000. The requirements for such, originally as Condition D.1.8(b) of MSOP No. 179-12321-00026, are incorporated into this Part 70 permit as Condition D.1.11(c). The approved alternative monitoring makes the record keeping requirement shown above obsolete.

(g) *First Minor Permit Revision No. 179-15577, issued May 16, 2002:*

D.1.3 326 IAC 2-4.1-1 (New Source Toxics Control)

The formaldehyde emission rate from each stack shall not exceed 0.00203 lb/mmBtu. This emission rate in combination with the emission limitations specified in Condition D.1.1, shall ensure that the single HAPs emissions do not exceed 10 tons per year and the combination HAPs do not exceed 25 tons per year.

- (a) The formaldehyde potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (b) The manganese potential to emit shall be less than ten (10) tons per twelve (12) consecutive month period, rolled on a monthly basis.
- (c) The combination of HAPs shall be less than twenty-five (25) tons per twelve (12) consecutive month period, rolled on a monthly basis.

Reason changed: Paragraph (b) of this condition is obsolete. The source has only constructed 8 of the originally permitted 16 turbines, as discussed above. With this reduction in the number of combustion units installed at this source, the potential to emit manganese is less than 10 tons per year (see Appendix A, pages 2 and 3 of 4). Therefore, paragraph (b) is eliminated. Additionally, the reduction to 8 turbines results in a source-wide potential to emit total HAPs of less than 25 tons per year. Paragraph (c) is therefore modified to indicate that any future change in the operating status of this source that results in an increase of the potential to emit total HAPs to 25 tons per year or more shall require OAQ approval before such change can take place.

Enforcement Issue

There are no enforcement actions pending.

Recommendation

The staff recommends to the Commissioner that the Part 70 permit be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An administratively complete Part 70 permit application for the purposes of this review was received on January 25, 2002. Additional information was received on September 26, 2002, November 26, 2002, and April 16, 2003.

There was no notice of completeness letter mailed to the source.

Emission Calculations

See Appendix A, Emissions Calculation Spreadsheets, for detailed calculations the emergency fire pump, unpaved roads and hazardous air pollutants (four (4) pages).

Emissions for the turbines are shown below, based on the worst case operating conditions (information supplied by the Pratt and Whitney, the vendor). Compliance shall be demonstrated by use of a continuous emissions monitoring system for CO and NOx. The hazardous air pollutant (HAP) emission calculations are based on the final AP-42 (Section 3.1 Stationary Gas Turbines, 4/00) emission factors for organic and metal HAPs. The emission factor for formaldehyde from natural gas combustion is taken from the June 18 - 21, 2001 performance test. Minor Permit Revision No. 179-15577, issued on May 16, 2002, approved the use of this tested formaldehyde emission factor, which represents the single highest emission factor determined during the testing.

Potential To Emit (PTE) of the Eight (8) Combustion Turbines:**

** Note - the following emission calculations are taken from the Technical Support Document to MSOP No. 179-12321-00026, issued December 29, 2000, but are updated to reflect eight (8) turbines approved herein instead of the sixteen (16) turbines originally approved in the MSOP. Since the allowable emissions approved in MSOP No. 179-12321-00026 remain unchanged, the limited emission rate computations presented below maintain the PSD-minor status by a linear adjustment of the equivalent hours of operation (i.e., from 426 hours per year per unit for 16 units to 852 hours per year per unit for 8 units, such that the source-wide PTE remains limited to less than 250 tons per year).

NOx PTE:

Worst case emissions are based on using fuel oil (at 100% load and 51°F) at all times
47.0 pounds of NOx per hour per turbine * 8760 hours per year * 1 ton/2000 pounds =
205.86 tons per year per turbine * 8 (total number of turbines) = **1646.88 tons per year.**

CO PTE:

Worst case emissions are based on using natural gas (at 75% load and 31°F) at all times.
73.15 pounds of CO per hour per turbine * 8760 hours per year * 1 ton/2000 pounds =
320.40 tons per year per turbine * 8 (total number of turbines) = **2563.20 tons per year.**

SO₂ PTE:

Worst case emissions are based on using fuel oil (at 100% load and 51°F) at all times.
15.0 pounds of SO₂ per hour per turbine * 8760 hours per year * 1 ton/2000 pounds =
65.7 tons per year per turbine * 8 (total number of turbines) = **525.60 tons per year.**

VOC PTE:

Worst case emissions are based on using natural gas (at 75% load and 30°F) at all times.
4.25 pounds of VOC per hour per turbine * 8760 hours per year * 1 ton/2000 pounds =
18.62 tons per year per turbine * 8 (total number of turbines) = **148.96 tons per year.**

PM/PM₁₀ PTE:

Worst case emissions are based on using fuel oil (at 100% load and 51°F) at all times.
7.0 pounds of PM/PM₁₀ per hour per turbine * 8760 hours per year * 1 ton/2000 pounds =
30.66 tons per year per turbine * 8 (total number of turbines) = **245.28 tons per year.**

Total PTE Calculations:

$$\text{NOx} = 1646.88 \text{ ton/yr (turbine)} + 1.10 \text{ ton/yr (fire pump)} = 1647.98 \text{ ton/yr};$$

$$\text{CO} = 2563.20 \text{ ton/yr (turbine)} + 0.24 \text{ ton/yr (fire pump)} = 2563.44 \text{ ton/yr};$$

$$\text{SO}_2 = 525.60 \text{ ton/yr (turbine)} + 0.7 \text{ ton/yr (fire pump)} = 526.30 \text{ ton/yr};$$

$$\text{VOC} = 148.96 \text{ ton/yr (turbine)} + 0.09 \text{ ton/yr (fire pump)} = 149.05 \text{ ton/yr};$$

$$\text{PM}_{10} = 245.28 \text{ ton/yr (turbine)} + 0.08 \text{ ton/yr (fire pump)} + 3.13 \text{ ton/yr (unpaved roads)} = 248.49 \text{ ton/yr; and}$$

$$\text{PM} = 245.28 \text{ ton/yr (turbine)} + 0.08 \text{ ton/yr (fire pump)} + 11.52 \text{ ton/yr (unpaved roads)} = 256.88 \text{ ton/yr.}$$

Based on vendor information, emissions during turbine startup and shutdown cycles will not exceed the maximum pounds per hour rates during "normal operations". Therefore, the above listed turbine emission rates represent the worst case emission rates at any load and temperature during operation of the units.

Based on the PTE, all criteria pollutants are subject to PSD review. However, the source has decided to limit the emissions in order to maintain a minor PSD source status, as specified in MSOP No. 179-12321-00026, issued December 29, 2000. The limited PTE of the combustion turbines, unpaved roads, and diesel-fired emergency fire pump is based on determining the highest pollutant emission rate when burning fuel oil and natural gas. In this case, NOx has the highest emission rate of all criteria pollutants when burning fuel oil. Therefore, by limiting the NOx emissions below 250 tons per year, the other criteria pollutants will also be less than 250 tons per year. When burning natural gas, CO has the highest emission rate of all criteria pollutants. By limiting the CO emissions below 250 tons per year the other criteria pollutants will also be less than 250 tons per year. Since no criteria pollutant will exceed 250 tons per year, the PSD permitting requirements do not apply.

Limited PTE Calculations:

1. When turbines burn natural gas, CO has the highest pollutant emission rate:

CO PTE when burning natural gas = 2563.20 tons per year

Worst case emission rate for CO is equal to 73.15 pounds per hour per unit.

$$\begin{aligned} \text{Limited CO} &= 73.15 \text{ lb/hr/unit} * 8 \text{ (total units)} = 585.20 \text{ lb/hr}; \\ &585.20 \text{ lb/hr} * 852 \text{ hr/yr} * \text{ton/2000 lb} = \mathbf{249.30 \text{ tons per year.}} \end{aligned}$$

Based on the CO limited PTE using natural gas, the following limited emissions are determined:

$$\begin{aligned} \text{Limited NOx} &= 29.96 \text{ lb/hr/unit} * 8 \text{ (total units)} = 239.68 \text{ lb/hr}; \\ &239.68 \text{ lb/hr} * 852 \text{ hr/yr} * \text{ton/2000 lb} = \mathbf{102.10 \text{ tons per year.}} \end{aligned}$$

$$\begin{aligned} \text{Limited SO}_2 &= 0.19 \text{ lb/hr/unit} * 8 \text{ (total units)} = 1.52 \text{ lb/hr}; \\ &1.52 \text{ lb/hr} * 852 \text{ hr/yr} * \text{ton/2000 lb} = \mathbf{0.65 \text{ tons per year.}} \end{aligned}$$

Limited PM/PM₁₀ = 2.0 lb/hr/unit * 8 (total units) = 16.0 lb/hr;
16.0 lb/hr * 852 hr/yr * ton/2000 lb = **6.82 tons per year.**

Limited VOC = 4.25 lb/hr/unit * 8 (total units) = 34.0 lb/hr;
34.0 lb/hr * 852 hr/yr * ton/2000 lb = **14.48 tons per year.**

2. When turbines burn fuel oil, NOx has the highest pollutant emission rate. Pursuant to MSOP No. 179-12321-00026, issued December 29, 2000, the U.S. EPA's March 24, 2000 approval for alternative monitoring under 40 CFR Part 60 Subpart GG requires that oil be a back-up fuel limited to 197.7 thousand gallons per year per turbine. This usage limit effectively limits each turbine to 100 hours per year of fuel oil firing, with emission rates as follows:

NOx PTE when burning fuel oil = 1646.88 tons per year
Worst case emission rate for NOx is equal to 47.0 pounds per hour per unit.

Limited NOx = 47.0 lb/hr/unit * 8 (total units) = 376.0 lb/hr;
376.0 lb/hr * 100 hr/yr (calculated based on applicant's maximum tons per year) * ton/2000 lb = **18.80 tons per year.**

Based on the NOx limited PTE using fuel oil, the following limited emissions are determined:

Limited CO = 33.0 lb/hr/unit * 8 (total units) = 264.0 lb/hr;
264.0 lb/hr * 100 hr/yr * ton/2000 lb = **13.20 tons per year.**

Limited SO₂ = 14.7 lb/hr/unit * 8 (total units) = 117.6 lb/hr;
117.6 lb/hr * 100 hr/yr * ton/2000 lb = **5.88 tons per year.**

Limited PM/PM₁₀ = 7.0 lb/hr/unit * 8 (total units) = 56.0 lb/hr;
56.0 lb/hr * 100 hr/yr * ton/2000 lb = **2.80 tons per year.**

Limited VOC = 2.75 lb/hr/unit * 8 (total units) = 22.0 lb/hr;
22.0 lb/hr * 100 hr/yr * ton/2000 lb = **1.10 tons per year.**

3. Worst case limited PTE:

CO is the worst case pollutant limited to 249.30 ton/yr, based on natural gas firing at an equivalent 852 hours per year per turbine. Based on this, the worst case limited PTE of all other pollutants reflects the higher of natural gas firing at an equivalent 852 hours per year per turbine, or a combination of maximum allowable fuel oil firing and natural gas firing at hours equivalent to the CO limit of 249.30 ton/yr. These hours of equivalency are determined as follows:

Limited CO = 249.30 ton/yr (turbine burning natural gas) - 13.20 ton/yr (turbine burning limited fuel oil) = 236.10 ton/yr;
852 hours (natural gas) * 236.10/249.30 = **806 hours natural gas firing, when also firing fuel oil up to allowable equivalent of 100 hours per year per turbine; therefore,**
249.30 ton/yr (turbines) + 0.24 ton/yr (fire pump) = **249.54 ton/yr.**

The worst case limited emissions of the other pollutants are determined as follows:

Limited NO_x = 18.80 ton/yr (turbine burning limited fuel oil) + (29.96 lb/hr/unit (gas) * 8 units * 806 hr/yr * ton/2000 lb) = **115.39 tons per year, which is greater than natural gas alone at 102.10 tons per year; therefore,**
115.39 ton/yr (turbine burning natural gas & oil) + 1.10 ton/yr (fire pump) = **116.49 ton/yr.**

Limited SO₂ = 5.88 ton/yr (turbine burning limited fuel oil) + (0.19 lb/hr/unit (gas) * 8 units * 806 hr/yr * ton/2000 lb) = **6.49 tons per year, which is greater than natural gas alone at 0.65 tons per year; therefore,**
6.49 ton/yr (turbine burning natural gas & oil) + 0.07 ton/yr (fire pump) = **6.56 ton/yr.**

Limited PM = 2.80 ton/yr (turbine burning limited fuel oil) + (2.0 lb/hr/unit (gas) * 8 units * 806 hr/yr * ton/2000 lb) = **9.25 tons per year, which is greater than natural gas alone at 6.82 tons per year; therefore,**
9.25 ton/yr (turbine burning natural gas & oil) + 0.08 ton/yr (fire pump) + 11.52 ton/yr (unpaved roads) = **20.85 ton/yr.**

Limited PM₁₀ = 2.80 ton/yr (turbine burning limited fuel oil) + (2.0 lb/hr/unit (gas) * 8 units * 806 hr/yr * ton/2000 lb) = **9.25 tons per year, which is greater than natural gas alone at 6.82 tons per year; therefore,**
9.25 ton/yr (turbine burning natural gas & oil) + 0.08 ton/yr (fire pump) + 3.13 ton/yr (unpaved roads) = **12.46 ton/yr.**

Limited VOC = 1.10 ton/yr (turbine burning limited fuel oil) + (4.25 lb/hr/unit (gas) * 8 units * 806 hr/yr * ton/2000 lb) = **14.80 tons per year, which is greater than natural gas alone at 14.48 tons per year; therefore,**
14.80 ton/yr (turbine burning natural gas & oil) + 0.09 ton/yr (fire pump) = **14.89 ton/yr.**

**** Please Note:** Limited turbine natural gas and oil firing may actually occur at more hours than what is determined above. In order to maintain a minor PSD source status, the source must limit all criteria pollutant emissions below 250 tons per year. The source will utilize NO_x and CO continuous emission monitoring systems (CEMS) to ensure compliance with this annual emission limit for both pollutants. In effect, this emission limit on NO_x and CO restricts the amount of fuel used in the turbines such that the emissions for remaining pollutants are limited to well below 250 tons per year, as shown above. The hours of operation shown above are estimates that equate to the annual emission limit of 250 tons per year, and are not limitations on allowed hours of emission unit operation. The actual hours of operation can fluctuate above or below what is determined above, provided the emissions are maintained below 250 tons per year.

Potential To Emit

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as “the maximum capacity of a stationary source or emissions unit to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U. S. EPA, the department, or the appropriate local air pollution control agency.”

Pollutant	Potential To Emit (tons/year)
PM	greater than 250
PM-10	greater than 100, less than 250
SO ₂	greater than 250
VOC	greater than 100, less than 250
CO	greater than 250
NO _x	greater than 250

Note: For the purpose of determining Title V applicability for particulates, PM-10, not PM, is the regulated pollutant in consideration.

HAP's	Potential To Emit (tons/year)
1,3 Butadiene	less than 10
Acetaldehyde	less than 10
Arsenic	less than 10
Benzene	less than 10
Beryllium	less than 10
Cadmium	less than 10
Chromium	less than 10
Ethyl benzene	less than 10
Formaldehyde	greater than 10 (19.3 tons/yr)
Hexane	less than 10
Lead	less than 10
Manganese	less than 10
Mercury	less than 10
Naphthalene*	less than 10
Nickel	less than 10
PAH	less than 10
Propylene Oxide	less than 10
Propylene	less than 10
Selenium	less than 10
Toluene	less than 10
Xylene	less than 10
TOTAL**	less than 25 (21.9 tons/yr)

* Naphthalene is considered a PAH (polycyclic aromatic hydrocarbon), therefore these emissions are not counted towards the total HAPs' emissions since such emissions are already included under PAH emissions

** Total HAPs reflect highest total HAPs from turbines firing natural gas fuel (i.e., worst case fuel for total HAPs at 8,760 hours per year), plus HAPs from the diesel-fired emergency fire pump.

- (a) The potential to emit (as defined in 326 IAC 2-7-1(29)) of CO, NO_x, PM₁₀, SO₂ and VOC are each equal to or greater than 100 tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (b) The potential to emit (as defined in 326 IAC 2-7-1(29)) of the worst-case single HAP (formaldehyde) is equal to or greater than ten (10) tons per year. Therefore, the source is subject to the provisions of 326 IAC 2-7.
- (c) Fugitive Emissions
Since this type of operation is not one of the twenty-eight (28) listed source categories under 326 IAC 2-2 and since there are no applicable New Source Performance Standards that were in effect on August 7, 1980, the fugitive particulate matter (PM) emissions are not

counted toward determination of PSD applicability.

Actual Emissions

The actual emission data is not immediately available for the first full year of operation of this source, calendar year 2002.

Limited Potential to Emit

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 operating permit.

Process/facility	Limited Potential to Emit (tons/year)							
	PM	PM-10	SO ₂	VOC	CO	NO _x	Single HAP ⁽¹⁾ (Formaldehyde)	Total HAPs
Eight (8) Turbines ⁽³⁾	9.25	9.25	6.49	14.80	249.30	115.39	1.87	2.13
Diesel-Fired Emergency Fire Pump	0.08	0.08	0.07	0.09	0.24	1.10	negl.	negl.
Unpaved Roads ⁽²⁾	11.52	3.13	0.00	0.00	0.00	0.00	0.00	0.00
Total Emissions	20.85	12.46	6.56	14.89	<250	116.49	<10 (any single)	< 25 (total)

1. Formaldehyde is the only single HAP emitted at greater than 10 tons per year, based on the potential to emit calculations.

2. Unpaved roads PM and PM₁₀ emissions are considered fugitive emissions and are not counted towards PSD applicability.

3. Emission rates reflect higher pollutant emissions from limited natural gas or No. 2 diesel fuel oil firing.

County Attainment Status

The source is located in Wells County.

Pollutant	Status
PM-10	attainment
SO ₂	attainment
NO ₂	attainment
Ozone	attainment
CO	attainment
Lead	attainment

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Wells County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.
- (b) Wells County has been classified as attainment or unclassifiable for the remaining criteria pollutants. Therefore, these pollutant emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

Part 70 Permit Conditions

This source is subject to the requirements of 326 IAC 2-7, pursuant to which the source has to meet the following:

- (a) Emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance of Part 70 permits.
- (b) Monitoring and related record keeping requirements which assume that all reasonable information is provided to evaluate continuous compliance with the applicable requirements.

Federal Rule Applicability

- (a) 40 CFR 60, Subpart GG (Stationary Gas Turbines):
The eight (8) combustion turbines are subject to 40 CFR Part 60, Subpart GG, because the heat input at peak load is equal to or greater than 10.7 gigajoules per hour, based on the lower heating value of the fuel fired.

Pursuant to 326 IAC 12-1 and 40 CFR 60, Subpart GG (Stationary Gas Turbines), the Permittee shall:

- (1) limit nitrogen oxides emissions, as required by 40 CFR 60.332, to:

$$\text{STD} = 0.0075 \frac{(14.4)}{Y} + F,$$

where STD = allowable NO_x emissions (percent by volume at 15 percent oxygen on a dry basis).

Y = manufacturer's rated heat rate at manufacturer's rated load (kilojoules per watt hour) or, actual measured heat rate based on lower heating value of fuel as measured at actual peak load for the facility. The value of Y shall not exceed 14.4 kilojoules per watt hour.

F = NO_x emission allowance for fuel-bound nitrogen as defined in paragraph (a)(3) of 40 CFR 60.332.

- (2) limit sulfur dioxide emissions, as required by 40 CFR 60.333, to 0.015 percent by volume at 15 percent oxygen on a dry basis, or use natural gas fuel with a sulfur content less than or equal to 0.8 percent by weight;
- (3) monitor operations pursuant to 40 CFR 60.334:
 - (A) install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine [40 CFR 60.334(a)]; and
 - (B) monitor sulfur content and nitrogen content of the fuel being fired in each turbine [40 CFR 60.334(b)].

(C) On March 24, 2000, the Montpelier Electric Generating Station was issued an alternative monitoring and custom schedule approval for 40 CFR 60, Subpart GG by the USEPA, Region V. Pursuant to this EPA approval, the Permittee shall comply with (3)(A) and (3)(B) as follows:

- (i) Use natural gas as the primary fuel for the combustion turbines;
- (ii) Use number 2 fuel oil as a back-up fuel source only. The source shall take a total gallons per year limit on the diesel fuel. The limitation is as follows:

The total input of number 2 fuel oil to each of the eight (8) combustion turbines shall be limited to 197.7 kilo-gallons per twelve (12) consecutive month period per turbine, with compliance demonstrated at the end of each month. This usage limitation is equivalent to 5.9 tons of SO₂ per year and 18.8 tons of NO_x per year; and

- (iii) The Permittee shall continuously monitor the SO₂ and NO_x emissions from each turbine per the requirements of 40 CFR Part 75. To satisfy this requirement, and in lieu of continuous water to fuel ratio monitoring, the Permittee shall use continuous emission monitoring systems (CEMS) for nitrogen oxides (NO_x). The requirements of 40 CFR Part 75 include, but are not limited to, 40 CFR Parts 75.10, 75.11 and 75.12; and

(4) report periods of excess emissions, as required by 40 CFR 334(c).

(Note: On April 14, 2003, U.S. EPA issued a direct final rule to 40 CFR 60, Subpart GG (68 Federal Register 17980, April 14, 2003). This direct final rule promulgates revisions to certain sections of Subpart GG, including §60.334 (Monitoring of Operations). For turbines constructed after October 3, 1977 but before May 29, 2003 (i.e., this source), the direct final rule proposes to allow affected sources the option of using NO_x CEMS certified in accordance with 40 CFR Part 75, in lieu of the existing requirement to continuously monitor fuel consumption and water to fuel ratio. This is consistent with the alternative monitoring program already approved by U.S. EPA for this source on March 24, 2000. This direct final rule is scheduled to become effective May 29, 2003; however, if adverse comments are received by May 14, 2003, the affected provisions of the direct final rule will be withdrawn for revision. Since this rule is not yet final, no provisions are incorporated into the Part 70 permit at this time. If the rule is finalized prior to permit issuance, any new and revised applicable requirements will be incorporated into the permit; otherwise, the source shall submit a request to IDEM, OAQ, to modify the permit to incorporate any new or revised requirements upon rule finalization.)

- (b) 40 CFR Part 60, Subparts K, Ka, and Kb (Standards of Performance for Petroleum Liquid Storage Vessels and Volatile Liquid Storage Vessels)

The storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons, as an insignificant activity, are not subject to the requirements of 326 IAC 12, (40 CFR Parts 60.110, 110a - 115a or 110b - 117b, as Subparts K, Ka, and Kb, respectively), since the 1,000 gallon storage capacity is below the minimum applicable threshold to the three rules (i.e., 40 cubic meters (10,568 gallons)).

Portable fuel oil tank trucks used by this source to supply fuel oil to the turbines are not subject to 40 CFR Part 60, Subpart Kb. This rule is not applicable to vessels permanently attached to mobile vehicles, including trucks, pursuant to 40 CFR 60.110b(d)(1).

- (c) This source is subject to the requirements of 40 CFR Part 72-80 (Acid Rain Program). The requirements of this program are detailed in the Phase II, Acid Rain Permit, found in Appendix A to this Part 70 permit.

- (d) (1) The United States Environmental Protection Agency (U.S. EPA) has established the *Stationary Combustion Turbine* source category as requiring hazardous air pollutant control. The U.S. EPA proposed such requirements on January 14, 2003. As proposed this rule, codified as 40 CFR 63, Subpart YYYY, will be applicable to stationary combustion turbines operated at a major source of hazardous air pollutants, as defined at 40 CFR Part 63.2. As currently proposed, this rule will not apply to this source since the source has accepted enforceable limits on its emissions of HAPs and is not a major source of HAPs. The source will evaluate applicability to the rule upon its final promulgation and will comply as required if the rules are determined to apply.
- (2) Although the source includes units that belong to a source category affected by the Section 112(j) Maximum Achievable Control Technology (MACT) Hammer date of May 15, 2002, as indicated in the preceding paragraph, the requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are not applicable to this source because the source has a limited potential to emit of less than 10 tons per year of a single HAP and less than 25 tons per year of the combination of HAPs.

There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) (326 IAC 14 and 40 CFR Part 61, and 326 IAC 20 and 40 CFR Part 63) applicable to this source.

- (e) The requirements of 40 CFR Part 64, Compliance Assurance Monitoring, are not applicable to this source. Generally, such requirements apply to a Part 70 source that involves a pollutant-specific emissions unit (PSEU), as defined in 40 CFR 64.1, that meets the following criteria:
- (1) the unit is subject to an emission limitation or standard for an applicable regulated air pollutant,

- (2) the unit uses a control device as defined in 40 CFR 64.1 to comply with that emission limitation or standard, and
- (3) the unit has a potential to emit before controls equal to or greater than the applicable Part 70 major source threshold for the regulated pollutant.

Each of the eight (8) combustion turbines at this Part 70 source has an uncontrolled PTE of NO_x greater than 100 tons per year, and uses water-injection to control NO_x emissions to comply with the applicable limits of 326 IAC 60, Subpart GG. However, pursuant to 40 CFR 64.2(b)(iii) and (vi), *Exemptions*, the requirements of Part 64 do not apply to sources subject to the Acid Rain Program, nor to sources with an emission limit or standard for which a Part 70 permit specifies a continuous compliance determination method (i.e., Conditions D.1.1(c) of this Part 70 permit). Based on both of these exemptions, the requirements of 40 CFR 64, Compliance Assurance Monitoring, are not applicable to this source.

State Rule Applicability - Entire Source

326 IAC 1-5-2 (Emergency Reduction Plans)

The source has submitted an Emergency Reduction Plan (ERP) on January 22, 2002. The ERP has been verified to fulfill the requirements of 326 IAC 1-5-2 (Emergency Reduction Plans).

326 IAC 1-7 (Stack Height Provisions):

Stacks designated as G1CT1S1 - G4CT2S2 are subject to the requirements of 326 IAC 1-7 (Stack Height Provisions) because the potential PM and SO₂ emissions (before controls) exhausting through the stacks are each greater than 25 tons per year per stack. This rule requires that the stack be constructed using Good Engineering Practice (GEP), unless field studies or other methods of modeling show to the satisfaction of IDEM that no excessive ground level concentrations, due to less than adequate stack height, will result. An air dispersion modeling analysis was conducted in support of MSOP No. 179-12321-00026, issued on December 29, 2000. This analysis demonstrated that the affected stacks, which are below the formula Good Engineering Practice (GEP) stack heights, will not result in excessive modeled air concentrations. The source therefore complies with this rule.

326 IAC 2-2 (Prevention of Significant Deterioration, PSD)

Pursuant to 326 IAC 2-2 (PSD), this source, which was constructed in 2001 after the rule applicability date of August 7, 1980, is not considered a major source. This source is not one of the 28 listed source categories and it does not have the potential to emit of 250 tons per year or more of any criteria pollutant, pursuant to the following:

- (a) The potential to emit of NO_x and CO from the eight (8) combustion turbines and one (1) diesel-fired emergency fire pump shall be limited to less than 250 tons per twelve (12) consecutive month period per pollutant, with compliance demonstrated at the end of each month. By limiting NO_x and CO emissions to less than 250 tons per year, the SO₂ and PM emissions are also limited to less than 250 tons per year. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2, will not apply.

- (b) The NO_x and CO emissions shall be limited by the following equation:
 - (1) NO_x emissions (tons per twelve (12) consecutive month period) =

Emissions from combustion turbines (tons/12-months, based on CEMs data) +
fuel oil usage from emergency fire pump (kgals/12-months) * appropriate AP-42
emission factor.
 - (2) CO emissions (tons per twelve (12) consecutive month period) =

Emissions from combustion turbines (tons/12-months, based on CEMs data) +
fuel oil usage from emergency fire pump (kgals/12-months) * appropriate AP-42
emission factor.
- (c) The source shall operate a continuous emissions monitoring system in accordance with 326 IAC 3-5, to demonstrate compliance with the above mentioned NO_x and CO limits.
- (d) The sulfur content of the fuel oil shall not exceed 0.05 percent by weight.

326 IAC 2-6 (Emission Reporting):

This source is subject to 326 IAC 2-6 (Emission Reporting), because it has the potential to emit more than one hundred (100) tons per year of NO_x and CO after enforceable limits and controls. Pursuant to this rule, the owner/operator of the source must annually submit an emission statement for the source. The annual statement must be received by July 1 of each year and contain the minimum requirement as specified in 326 IAC 2-6-4. The submittal should cover the period defined in 326 IAC 2-6-2(8)(Emission Statement Operating Year).

326 IAC 3-5 (Continuous Monitoring of Emissions):

Pursuant to MSOP No. 179-12321-00026, issued on December 29, 2000, the source shall comply as follows in order to demonstrate compliance with the limits specified in Condition D.1.1:

- (a) Pursuant to 326 IAC 3-5-1(d)(1), the Permittee shall install, calibrate, certify, operate and maintain a continuous monitoring system for measuring NO_x and CO emissions rates in pounds per hour from the eight (8) stacks in accordance with 326 IAC 3-5-2 and 326 IAC 3-5-3.
- (b) Pursuant to 326 IAC 3-5-4, the Permittee shall submit to IDEM, OAQ, on a biennial basis any updates made to the continuous monitoring standard operating procedure (SOP) document submitted to IDEM, OAQ, on August 31, 2001.
- (c) The Permittee shall record the output of the system and shall perform the required record keeping, pursuant to 326 IAC 3-5-6, and reporting, pursuant to 326 IAC 3-5-7.

- (d) Whenever a continuous emission monitoring system (CEMS) is malfunctioning or down for repairs or adjustments, the Permittee shall:
 - (1) use a data substitution procedure for the CO CEMS that is consistent with the requirements of 40 CFR 75.33(b), *Standard Missing Data Substitution Procedures for SO₂ Concentration Data*; and
 - (2) use the *Standard Missing Data Substitution Procedures for NO_x Concentration Data* of 40 CFR 75.33(b) for the NO_x CEMS,

to respectively demonstrate compliance with the CO and NO_x emission limits established in D.1.1.

- (e) The Permittee may submit to IDEM, OAQ, alternative emission factors based on the source's CEMS data, to use in instances of downtime. The alternative emissions factors must be approved by IDEM, OAQ, prior to use in calculating emissions for the limitations established in this permit. The alternative emission factors shall be based upon collected monitoring and test data supplied from an approved continuous emission monitoring system and/or approved performance tests. In the event that the information submitted does not contain sufficient data to establish appropriate emission factors, the Permittee shall continue to collect data until appropriate emission factors can be established. During this period of time, the source shall continue to use the CO and NO_x Missing Data Substitution Procedures specified in 40 CFR Part 75, Subpart D, in periods of downtime.

This condition shall determine continuous compliance with the NO_x and CO emission limits established in this permit, such that the requirements of 326 IAC 2-2 (PSD) do not apply. By limiting NO_x and CO emissions to less than 250 tons per year, the SO₂ and PM emissions are also limited to less than 250 tons per year. Therefore, the Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2, will not apply.

326 IAC 5-1 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings as measured according to 40 CFR 60, Appendix A. Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor) in a six (6) hour period.

326 IAC 6-4 (Fugitive Dust Emissions)

The Permittee shall not allow fugitive dust to escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, in a manner that would violate 326 IAC 6-4 (Fugitive Dust Emissions).

326 IAC 6-5 (Fugitive Particulate Matter Emission Limitations)

Pursuant to 326 IAC 6-5 (Fugitive Particulate Matter Emissions Limitations), fugitive particulate matter emissions shall be controlled according to the plan submitted on February 16, 2000.

This plan consists of wet suppression of dust from roads on an as needed basis.

326 IAC 7-3-1 (Ambient Monitoring)

The Source is not subject to 326 IAC 7-3-1 because the total SO₂ actual emissions are not greater than (10,000) tons per year.

State Rule Applicability - Individual Facilities

326 IAC 2-4.1-1 (New Source Toxics Control)

Pursuant to 326 IAC 2-4.1-1 (New Source Toxics Control), any new process or production unit, which in and of itself emits or has the PTE 10 tons per year of any HAP or 25 tons per year of the combination of HAPs, and is constructed or reconstructed after July 27, 1997, must be controlled using technologies consistent with Maximum Achievable Control Technology (MACT).

The source was constructed in 2001 and shall comply as follows:

- (a) Pursuant to Minor Permit Revision No. 179-15577-00026, issued May 16, 2002, the formaldehyde emission rate from each stack shall not exceed 0.00203 pounds per million Btu of heat input (lb/MMBtu). This emission rate in combination with the emission limitations specified in Condition D.1.1, shall ensure that single HAP emissions, as formaldehyde, do not exceed 10 tons per year.
- (b) Any change or modification which may increase the source-wide potential to emit the combination of HAPs to twenty-five (25) tons per twelve (12) consecutive month period shall require OAQ's prior approval before such change can take place.

Compliance with this condition and D.1.1 shall make the requirements of 326 IAC 2-4.1-1 (New Source Toxics Control) not applicable, and shall make the source an area source, pursuant to the definition of such at 40 CFR 63.2.

326 IAC 6-2 (Particulate Emission Limitations for Sources of Indirect Heating)

326 IAC 6-2 does not apply to the turbines nor the diesel-fired emergency fire pump because these facilities are not utilized for indirect heating.

No other 326 IAC 6 rules apply.

326 IAC 7-1.1 (Sulfur Dioxide Emission Limitations):

This rule requires all facilities with a potential to emit (PTE) at or greater than twenty-five (25) tons per year or ten (10) pounds per hour of sulfur dioxide (SO₂) to comply with the emission limitations and test compliance methods stated in the rule. The eight (8) turbines are each subject to the requirements of this rule since they have a potential sulfur dioxide (SO₂) emission rate greater than 10 pounds per hour. Therefore, the source shall comply as follows:

- (a) Pursuant to 326 IAC 7-1.1-2, sulfur dioxide emissions from fuel combustion facilities shall be limited to five-tenths (0.5) pounds per million Btu for distillate oil combustion.

- (b) Pursuant to 326 IAC 7-2-1(c)(3), owners or operators of sources or facilities subject to 326 IAC 7-1.2, shall submit to the Commissioner upon request the following reports based on fuel sampling and analysis data in accordance with procedures specified under 326 IAC 3-7:

Reports of calendar month average sulfur content, heat content, fuel consumption, and sulfur dioxide emission rate in pounds per million Btus.

- (c) Pursuant to 326 IAC 7-1.1-2 and 326 IAC 7-2-1(c)(3), the Permittee shall demonstrate that the sulfur dioxide emissions do not exceed the equivalent of 0.5 pounds per million Btus using a calendar month average.

- (d) The Permittee shall perform sampling and analysis of fuel oil samples in accordance with 326 IAC 3-7-4(a).

- (1) The Permittee may rely upon vendor analysis of fuel delivered, if accompanied by a vendor certification [326 IAC 3-7-4(b)]; or,

- (2) Analyzing the oil sample to determine the sulfur content of the oil via the procedures in 40 CFR 60, Appendix A, Method 19.

- (A) Oil samples may be collected from the fuel tank immediately after the fuel tank is filled and before any oil is combusted; and

- (B) If a partially empty fuel tank is refilled, a new sample and analysis would be required upon filling.

- (e) Upon written notification of a facility owner or operator to IDEM, continuous emission monitoring data collected and reported pursuant to 326 IAC 3-5 may be used as the means for determining compliance. Upon such notification, the other requirements of 326 IAC 7 shall not apply. [326 IAC 7-2-1(g)]

The source shall continue to comply with the limit of 326 IAC 7-1.1 by using fuel oil with a sulfur content of 0.05 percent by weight.

326 IAC 8-1-6 (New facilities; general reduction requirements):

This rule applies to facilities located anywhere in the state that were constructed on or after January 1, 1980, which have potential volatile organic compound (VOC) emissions of 25 tons per year or more, and which are not otherwise regulated by another provision of Article 8.

Based on the source-wide operation limitation on NO_x emissions to less than 250 tons per year and the fuel oil usage limit in the EPA approved *custom schedule*, the limited potential to emit VOC of each turbine (i.e., facility) is less than 25 tons per year. Therefore, the requirements of this rule do not apply to this source.

326 IAC 8-4-3 (Petroleum Liquid Storage Facilities)

Pursuant to 326 IAC 8-4-1 (Applicability) and 326 IAC 8-4-3 (Petroleum Liquid Storage Facilities), all petroleum liquid storage vessels located in a specified county or new as of January 1, 1980, and having capacities greater than one hundred fifty thousand (150,000) liters (39,000 gallons) containing VOC whose true vapor pressure is greater than 10.5 kPa (1.52 psi), are subject to the rule. Such affected facilities shall comply with the applicable requirements for external fixed and floating roof tanks and the specified record keeping and reporting requirements. This source uses portable storage facilities (i.e., tanker trucks) to supply and store fuel oil for combustion purposes. Since both the true vapor pressure of the fuel oil is less than the rule applicability threshold of 10.5 kPa, and the capacity of a tanker truck is less than 39,000 gallons, this rule does not apply to this source.

326 IAC 8-7 (Specific VOC Reduction Requirements for Lake, Porter, Clark and Floyd Counties)

The requirements of this rule apply to stationary sources located in Lake, Porter, Clark and Floyd Counties that emit or have the potential to emit VOCs at levels equal to or greater than 25 tons per year in Lake and Porter Counties; 100 tons per year in Clark and Floyd Counties; and to any coating facility that emits or has the potential to emit 10 tons per year or greater in Lake, Porter, Clark or Floyd County. The source is located in Wells County. Therefore, this rule is not applicable to this source.

326 IAC 8-9 (Volatile Organic Liquid Storage Vessels)

Pursuant to 326 IAC 8-9-1, on and after October 1, 1995 stationary vessels used to store volatile organic liquids (VOL) must comply with the requirement of the rule if located in Clark, Floyd, Lake or Porter Counties. Stationary vessels with capacities less than 39,000 gallons are only subject to the reporting and record keeping requirements of the rule. This source is located in Wells County. Therefore, this rule is not applicable to this source.

No other 326 IAC 8 rules apply.

326 IAC 9 (Carbon Monoxide Emission Limits):

Pursuant to 326 IAC 9 (Carbon Monoxide Emission Limits), the source is subject to this rule because it is a stationary source which emits CO emissions and commenced operation after March 21, 1972. There is no rule specific emission limit applicable to the source, since it is not a process operation listed under 326 IAC 9-1-2.

326 IAC 10 (Nitrogen Oxide Rules)

(a) 326 IAC 10-1 (NO_x Control in Clark and Floyd Counties)

Pursuant to 326 IAC 10-1-1 (Applicability), the requirements of this rule apply to stationary sources located in Clark and Floyd Counties that emit or have the potential to emit NO_x at 100 tons per year or more. The source is located in Wells County and, therefore, this rule is not applicable to this source.

(b) 326 IAC 10-3 (NO_x Reduction Program for Specific Source Categories)

Pursuant to 326 IAC 10-3-1 (Applicability), the requirements of this rule apply to any of the specifically listed source categories. This source is not one of the specifically listed sources and, therefore, this rule is not applicable to this source.

- (c) 326 IAC 10-4 (NO_x Budget Trading Program)
Pursuant to 326 IAC 10-4-2(16), each of the eight (8) combustion turbines G1CT1 through G4CT2 is considered as an *electricity generating unit* (EGU) because each unit commenced operation on or after January 1, 1999 and serves a generator at any time that has a nameplate capacity greater than twenty-five (25) megawatts that produces electricity for sale under a firm contract to the electric grid. Pursuant to 326 IAC 10-4-1(a)(1), an "EGU" is a NO_x budget unit. Because this source meets the criteria of having one (1) or more NO_x budget units, it is a NO_x budget source. The Permittee shall be subject to the requirements of this rule. The NO_x authorized account representative has already submitted the permit application, which was received by IDEM, OAQ, on October 22, 2001.

Since the eight (8) combustion turbines G1CT1 through G4CT2 commenced operation after May 1, 2000, the units were not allocated NO_x allowances for the 2004, 2005, and 2006 ozone seasons from the existing EGU budget under 326 IAC 10-4-9(b)(1)(A). Therefore, if the NO_x authorized account representative requires NO_x allowances to be allocated, the NO_x authorized account representative shall submit a written request to the IDEM, OAQ for NO_x allowances in accordance with 326 IAC 10-4-9(e)(2) and (3).

Pursuant to 326 IAC 10-4-12(c), the Permittee shall install the appropriate monitoring systems and complete all certification tests as required by 326 IAC 10-4-12(b)(1) through (3) on or before May 1, 2003. The Permittee shall record, report, and quality assure the data from the monitoring systems on and after May 1, 2003.

Testing Requirements

While IDEM may require compliance testing at any specific time to determine if the source is in compliance with an applicable limit or standard, additional testing as a condition of this Part 70 approval is deemed as unnecessary. The source conducted initial compliance and continuous emission monitor (CEM) certification testing on June 18, 2001. Results of that test demonstrated compliance with the criteria pollutants, and the formaldehyde emission factor was adjusted in Minor Permit Revision No. 179-15577-00026, issued May 16, 2002, to be the highest factor determined during testing. Overall, compliance with the permit limits established for this source will be demonstrated through the operation of NO_x and CO CEMs. Such limits will in effect restrict corresponding fuel usage at this source such that other pollutant emissions will be well below applicable standards and limits. Specified parameter monitoring, record keeping, and reporting requirements will be used to ensure such compliance. Therefore, there is no emissions testing requirement in this Part 70 permit.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as

grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

The compliance monitoring requirements applicable to this source are as follows:

The eight (8) simple cycle combustion turbines, identified as units G1CT1 through G4CT2, have applicable compliance monitoring conditions as specified below:

Pursuant to NSPS Subpart GG, the Permittee shall:

- (a) install a continuous monitoring system to monitor and record the fuel consumption and the ratio of water to fuel being fired in the turbine, as required by 40 CFR 60.334(a);
- (b) monitor the nitrogen and sulfur content of the fuel fired in each turbine, as required by 40 CFR 60.334(b).
- (c) On March 24, 2000, the Montpelier Electric Generating Station was issued an alternative monitoring and custom schedule approval for 40 CFR 60, Subpart GG by the USEPA, Region V. Pursuant to this EPA approval, the Permittee shall comply with (a) and (b) of this condition as follows:
 - (1) Use natural gas as the primary fuel for the combustion turbines;
 - (2) Use number 2 fuel oil as a back-up fuel source only. The source shall take a total gallons per year limit on the diesel fuel. The limitation is as follows:

The total input of number 2 fuel oil to each of the eight (8) combustion turbines shall be limited to 197.7 kilo-gallons per twelve (12) consecutive month period per turbine, with compliance demonstrated at the end of each month. This usage limitation is equivalent to 5.9 tons of SO₂ per year and 18.8 tons of NO_x per year; and
 - (3) The Permittee shall continuously monitor the SO₂ and NO_x emissions from each turbine per the requirements of 40 CFR Part 75. To satisfy this requirement, and in lieu of continuous water to fuel ratio monitoring, the Permittee shall use continuous emission monitoring systems (CEMS) for nitrogen oxides (NO_x). The requirements of 40 CFR Part 75 include, but are not limited to, 40 CFR Parts 75.10, 75.11 and 75.12.

These monitoring conditions are necessary because the turbines must operate properly to ensure compliance with 40 CFR 60, Subpart GG, 326 IAC 7-1, 326 IAC 2-2, and 326 IAC 2-7 (Part 70).

Conclusion

The operation of this electric generating station shall be subject to the conditions of the attached proposed Part 70 Permit No. T179-15228-00026.

Appendix A: Emissions Calculations
Commercial/Institutional/Residential Combustors
#1 and #2 Fuel Oil
One (1) Diesel-Fired Emergency Fire Pump (Engine)

Page 1 of 4, TSD Appendix A

Company Name: DPL Energy, Montpelier Electric Generating Station
Address City IN Zip: 8495 South 450 West, Poneto, IN 46781
Part 70 No.: 179-15228-00026
Reviewer: Michael Hirtler/EVP
Date: January 2, 2003

Heat Input Capacity
MMBtu/hr

Potential Throughput
kgals/year

S = Weight % Sulfur
0.05

1

3.57142857 (potential throughput reflects 500 hours per year of fuel use for an emergency unit)

Emission Factor in lb/MMBtu	Pollutant				
	PM	SO ₂	NO _x	VOC	CO
	0.3	0.29	4.4	0.36	1.0
Potential to Emit in tons/yr	0.078	0.073	1.103	0.090	0.238

Methodology

1 gallon of No. 2 Fuel Oil has a heating value of 140,000 Btu

Potential Throughput (kgals/year) = Heat Input Capacity (MMBtu/hr) x 500 hrs/yr x 1kgal per 1000 gallon x 1 gal per 0.140 MM Btu

Emission Factors are from AP 42, Table 3.3-1 (SCC 2-02-001-02, 2-02-003-01) 10/96

PM Emission Factor is equivalent to the PM-10 emission factor listed in AP-42.

Potential to Emit (tons/yr) = Heat input (MMBtu/hr) x Emission Factor (lb/MMBtu) * 500 hr/yr / 2,000 lb/ton

HAPs					
Emission Factor in lb/mmBtu	Benzene	Toluene	Xylene	Propylene	Formaldehyde
	9.3E-04	4.1E-04	2.9E-04	2.6E-03	1.2E-03
Potential to Emit in tons/yr	2.333E-04	1.023E-04	7.125E-05	6.450E-04	2.950E-04

HAPs (continued)					
Emission Factor in lb/mmBtu	Acetaldehyde	Acrolein	1,3 Butadiene	Total PAH	Total HAPs
	7.7E-04	9.3E-05	3.9E-05	1.7E-04	
Potential to Emit in tons/yr	1.918E-04	2.313E-05	9.775E-06	4.200E-05	1.613E-03

Methodology

Emission Factors are from AP 42, Table 3.3-2, 10/96.

Potential to Emit (tons/year) = Throughput (mmBtu/hr)*Emission Factor (lb/mmBtu)*500 hrs/yr / 2,000 lb/ton

Appendix A: Emissions Calculations

HAPs Emissions for Natural Gas-Fired Turbines

Company Name: DPL Energy, Montpelier Electric Generating Station
 Address City IN Zip: 8495 South 450 West, Poneto, IN 46781
 Part 70 No.: 179-15228-00026
 Reviewer: Michael Hirtler/EVP
 Date: January 2, 2003

Total Heat
 Input Capacity: 2167.2 MMBtu/hr (Eight (8) combustion turbines @ 270.9 mmBtu/hr each)

Pollutant	Emission Factor (lbs/MMBtu)	Total Emissions (tons/yr)	Emissions Per Turbine (tons/yr)	Total Limited Emissions (tons/yr)	Limited Emissions Per Turbine (tons/yr)
1,3 Butadiene	4.30E-07	0.004	0.001	0.000	0.000
Acetaldehyde	4.00E-05	0.380	0.047	0.037	0.005
Acrolein	6.40E-06	0.061	0.008	0.006	0.001
Benzene	1.20E-05	0.114	0.014	0.011	0.001
Ethylbenzene	3.20E-05	0.304	0.038	0.030	0.004
Formaldehyde	2.03E-03	19.269	2.409	1.874	0.234
PAHs	2.20E-06	0.021	0.003	0.002	0.000
Propylene Oxide	2.90E-05	0.275	0.034	0.027	0.003
Toluene	1.30E-04	1.234	0.154	0.120	0.015
Xylene	2.60E-05	0.247	0.031	0.024	0.003
TOTAL		21.909	2.739	2.131	0.266
Naphthalene	1.30E-06	0.012	0.002	0.001	0.000

Methodology

Except for formaldehyde, emission factors are from AP42 (final, 4/00), Table 3.1-3. Emission Factor for formaldehyde is from June 18 - 21, 2001 performance test. Minor Permit Revision No. 179-15577, issued on May 16, 2002, approved the use of this tested formaldehyde emission factor.

Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 8760 hr/yr / 2,000 lb/ton

Limited HAP Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 852 hr/yr / 2,000 lb/ton

Naphthalene is considered a PAH, therefore naphthalene emissions were also accounted for under the PAH emissions.

Appendix A: Emissions Calculations HAPs Emissions for Distillate Oil-Fired Turbines

Company Name: DPL Energy, Montpelier Electric Generating Station
Address City IN Zip: 8495 South 450 West, Poneto, IN 46781
Part 70 No.: 179-15228-00026
Reviewer: Michael Hirtler/EVP
Date: January 2, 2003

Total Heat
Input Capacity: 2167.2 MMBtu/hr (Eight (8) combustion turbines @ 270.9 mmBtu/hr each)

Pollutant	Emission Factor (lbs/MMBtu)	Total Emissions (tons/yr)	Emissions Per Turbine (tons/yr)	Total Limited Emissions (tons/yr)	Limited Emissions Per Turbine (tons/yr)
1,3 Butadiene	1.60E-05	0.152	0.019	0.002	0.000
Arsenic	1.10E-05	0.104	0.013	0.001	0.000
Benzene	5.50E-05	0.522	0.065	0.006	0.001
Beryllium	3.10E-07	0.003	0.000	0.000	0.000
Cadmium	4.80E-06	0.046	0.006	0.001	0.000
Chromium	1.10E-05	0.104	0.013	0.001	0.000
Formaldehyde	2.80E-04	2.658	0.332	0.030	0.004
Lead	1.40E-05	0.133	0.017	0.002	0.000
Manganese	7.90E-04	7.499	0.937	0.086	0.011
Mercury	1.20E-06	0.011	0.001	0.000	0.000
Nickel	4.60E-06	0.044	0.005	0.000	0.000
PAH	4.00E-05	0.380	0.047	0.004	0.001
Selenium	2.50E-05	0.237	0.030	0.003	0.000
TOTAL		11.893	1.487	0.136	0.017
Naphthalene	3.50E-05	0.332	0.042	0.0038	0.0005

Methodology

Emission Factors are from AP-42 (final, 4/00), Tables 3.1-4 and 3.1-5.

Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 8760 hr/yr / 2,000 lb/ton

Limited Emissions (tons/yr) = Heat input rate (MMBtu/hr) x Emission Factor (lb/MMBtu) * 100 hr/yr (equivalent hours, based on custom schedule) / 2,000 lb/ton

Naphthalene is considered a PAH, therefore naphthalene emissions were also accounted for under the PAH emissions.

Appendix A: Emissions Calculations

** Unpaved Roads **

Company Name: DPL Energy, Montpelier Electric Generating Station
 Address City IN Zip: 8495 South 450 West, Poneto, IN 46781
 Part 70 No.: 179-15228-00026
 Reviewer: Michael Hirtler/EVP
 Date: January 2, 2003

The following calculations determine the amount of emissions created by unpaved roads, based on 8760 hours of use and AP-42, Ch 13.2.2 (Supplement E, 9/98).

1.5 trip/hr x
 0.33 mile/trip x
 2 (round trip) x
 8760 hr/yr = 8672.4 miles per year

PM10

$E_f = k \left[\left(\frac{s}{12} \right)^{0.8} \left(\frac{W}{3} \right)^b \right] \left[\frac{(M_{dry}/0.2)^c}{(365-p)/365} \right] (S/15)$
 = 0.72 lb/mile
 where k = 2.6 (particle size multiplier for PM-10) (k=10 for PM-30 or TSP)
 s = 6.4 mean % silt content of unpaved roads
 b = 0.4 Constant for PM-10 (b = 0.5 for PM-30 or TSP)
 c = 0.3 Constant for PM-10 (c = 0.4 for PM-30 or TSP)
 W = 19 tons average vehicle weight
 Mdry = 2 surface material moisture content, % (default 0.2 (dry conditions) when using rainfall parameter)
 p = 125 number of days with at least 0.01 in of precipitation per year
 S= 10 mph speed limit

0.72 lb/mi x $\frac{8672.4 \text{ mi/yr}}{2000 \text{ lb/ton}} = 3.13 \text{ tons/yr}$

PM

$E_f = k \left[\left(\frac{s}{12} \right)^{0.8} \left(\frac{W}{3} \right)^b \right] \left[\frac{(M/0.2)^c}{(M/0.2)^c} \right]$
 = 2.66 lb/mile
 where k = 10 (particle size multiplier for PM) (k=10 for PM-30 or TSP)
 s = 6.4 mean % silt content of unpaved roads
 b = 0.5 Constant for PM (b = 0.5 for PM-30 or TSP)
 c = 0.4 Constant for PM (c = 0.4 for PM-30 or TSP)
 W = 19 tons average vehicle weight
 Mdry = 2 surface material moisture content, % (default 0.2 (dry conditions) when using rainfall parameter)
 p = 125 number of days with at least 0.01 in of precipitation per year
 S= 10 mph speed limit

2.66 lb/mi x $\frac{8672.4 \text{ mi/yr}}{2000 \text{ lb/ton}} = 11.52 \text{ tons/yr}$